

Exhibit 5

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

IN RE WASHINGTON MUTUAL, INC.
SECURITIES LITIGATION

This Document Relates to: ALL CASES

)
) No. 2:08-md-1919 MJP
) Lead Case No. C08-387 MJP
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DECLARATION OF CHAD COFFMAN

CHAD COFFMAN declares as follows:

I. QUALIFICATIONS AND BACKGROUND

1. I am the President of Global Economics Group, a Chicago-based firm that specializes in the application of economics, finance, statistics, and valuation principles to questions that arise in a variety of contexts, including, as here, in the context of litigation. I hold a Bachelor's Degree in Economics with Honors from Knox College and a Master's in Public Policy from the University of Chicago. I am also a CFA charter-holder. The CFA, or Chartered Financial Analyst, designation is awarded to those who have sufficient practical experience and complete a rigorous series of three exams over three years that cover a wide variety of financial topics including financial statement analysis and valuation.

2. I, along with several others, founded Global Economics Group in March 2008.¹ Prior to starting Global Economics Group, I was employed by Chicago Partners for over twelve years where I was responsible for conducting and managing analysis in a wide variety of areas including securities valuation and damages, labor discrimination and antitrust. I have been engaged numerous times as a valuation expert both within and outside the litigation context. My

¹ Global Economics Group was formerly known as Winnemac Consulting, LLC.

experience in class action securities cases includes work for plaintiffs, defendants, D&O insurers and a prominent mediator (Retired Judge Daniel Weinstein) to provide economic analysis and opinions in dozens of securities class actions as well as other matters. As a result of my involvement in these cases, much of my career has been spent analyzing and making inferences about how quickly and reliably, and to what degree, new information impacts securities prices.

3. My qualifications are further detailed in my curriculum vitae, which is attached as **Appendix A.**

II. SCOPE OF ASSIGNMENT

4. I have been retained by Lead Counsel for Plaintiffs to consult on a variety of questions in this case. I filed a declaration regarding loss causation that was incorporated in the Consolidated Class Action Complaint dated August 5, 2008 and the Amended Consolidated Class Action Complaint dated June 15, 2009. In connection with Lead Plaintiff's motion for class certification, I filed an initial report and rebuttal report opining on the market efficiency of certain WaMu securities, including WaMu Common Stock. I was also asked in the context of the mediations of this Action to consider potential approaches to per share and aggregate damages.

5. After the parties reached the proposed settlements, I was asked by counsel for the Lead Plaintiff to assist with the design of the plan to allocate the settlement proceeds (the "Plan of Allocation") among Class Members who submit valid Proof of Claim forms that are approved for payment by the Court ("Authorized Claimants"). In my opinion, based on my understanding of the alleged wrongdoing in this matter and the analyses I have undertaken, the proposed Plan of Allocation is fair and reasonable.

III. DESCRIPTION OF CLAIMS AND WAMU SECURITIES

6. Plaintiffs assert two different sets of claims against defendants: (1) claims for violations of the Securities Exchange Act of 1934 (the “Exchange Act”), including Section 10(b) of the Exchange Act; and (2) claims for violations of the Securities Act of 1933 (the “Securities Act”), including Section 11 of the Securities Act.

7. Eligible Securities with claims for violations of the Exchange Act (“Section 10(b) Securities”) are as follows:

- i. WaMu common stock listed and traded on the New York Stock Exchange (“NYSE”) during the Class Period under the ticker “WMI” (CUSIP 939322103); and
- ii. Capital Trust Unit Preferred Washington Mutual Capital Trust 2001’s 5.375% Trust Preferred Income Equity Redeemable Securities (PIERS) Units, maturing July 1, 2041 (CUSIP 939322848).

The Section 10(b) claims are based on the purchase or acquisition of Section 10(b) Securities from October 19, 2005 to July 23, 2008 (the “Class Period”).

8. Eligible Securities with claims for violations of the Securities Act (“Section 11 Securities”) are as follows:

- i. Floating Rate Notes Floating Rate Notes due August 24, 2009, offered in August 2006 (CUSIP 939322AW3);
- ii. 7.250% Notes 7.250% Subordinated Notes due November 1, 2017, offered in October 2007 (CUSIP 939322AY9); and
- iii. Series R Stock 7.75% Series R Non-Cumulative Perpetual Convertible Preferred Stock, offered in December 2007 (CUSIP 939322814).

The Section 11 claims are based on the purchase or acquisition of Section 11 Securities from time they were first offered through the time the first suit was brought with respect to each security.²

IV. SUMMARY OF PLAINTIFFS' EXCHANGE ACT (SECTION 10(b)) CLAIMS, ALLEGED MISREPRESENTATIONS AND OMISSIONS DURING THE CLASS PERIOD, AND SECURITY PRICE REACTIONS TO ALLEGED PARTIAL DISCLOSURES

9. The objective of the Plan of Allocation with respect to the Exchange Act claims is to equitably distribute the settlement proceeds to those Class Members who suffered economic losses as a result of the alleged fraud. Plaintiffs allege, in general, that throughout the Class Period (October 19, 2005 up until July 23, 2008), WaMu engaged in four related types of improper activity: (1) secret efforts to decrease the efficacy of WaMu's risk management policies; (2) corruption of WaMu's appraisal process; (3) abandonment of appropriate underwriting standards for WaMu loans; and (4) misrepresentation of WaMu's financial results.³

10. In order to have recoverable damages on Exchange Act claims, disclosures revealing the truth about alleged misrepresentations and omissions must be the cause (at least in part) of the decline in the price of the security. A technique often relied upon by academics, both inside and outside of the context of litigation to establish a causal connection between new company-specific news events and movements in the market price is called the "event study." An event study is a well-accepted statistical method utilized to isolate the impact of information

² The Series R Stock was offered on December 12, 2007 with a date of suit of August 5, 2008; the Floating Rate Notes were offered on August 21, 2006 with a date of suit of May 13, 2008; and the 7.250% Notes were offered on October 25, 2007 with a date of suit of May 13, 2008.

³ Amended Consolidated Class Action Complaint ("Amended Complaint") at ¶ 1.

on market prices.⁴ Event studies have now been used for over 30 years and appear in hundreds, if not thousands, of academic articles as scientific evidence in evaluating how new information affects securities prices.⁵ I performed an event study in my market efficiency report to isolate the impact of WaMu specific news on the price movement of its securities. I continued to rely on this model to reasonably determine, under the assumption that plaintiffs would be able to establish liability, the amount of artificial inflation and damages for the relevant WaMu securities.⁶

11. Plaintiffs allege a number of partial disclosures that incrementally revealed the hidden truth regarding the alleged misconduct. In the context of my work in this case, and as a result of discussions with counsel, I identified six events which were arguably corrective and had corresponding declines in price that were statistically significant according to my event study. Each of these dates is detailed below. On most of these dates, there was additional news that was arguably either unrelated to the alleged misconduct or was a timely disclosure of WaMu's condition. In the creation of the Plan of Allocation, I considered the overall movement of the market on each date, the nature of the news released to the market on each date, as well as both Defendants' and Plaintiffs' arguments with respect to the corrective nature of that news. As explained below, I discounted the price decline as appropriate to take into account the results of my analysis.

12. On October 17, 2007, after the close of trading, WaMu reported that its third-quarter net income plummeted 72% resulting from an additional \$967 million in loan loss

⁴ David I. Tabak and Frederick C. Dunbar, "Materiality and Magnitude: Event Studies in the Courtroom," Ch. 19, *Litigation Services Handbook, The Role of the Financial Expert*, Third Edition, 2001.

⁵ John Binder, "The Event Study Methodology Since 1969," *Review of Quantitative Finance and Accounting* Vol. 11, 1998, pp. 111-137.

⁶ My market efficiency report is attached as Appendix B.

provisions.⁷ The Company also disclosed that, contrary to the “improved fourth quarter” described in its prior October 5 press release, it in fact expected its loan loss provision to grow as much as \$1.3 billion in the fourth quarter of 2007.⁸ In response, on October 18, 2007, the prices of WaMu Common Stock and Capital Trust Unit Preferred, after adjusting for market and industry factors, declined by \$1.86 per share and \$1.82 per share, respectively. In my view, if plaintiffs had prevailed on proving liability, at least a portion of the abnormal stock price decline on this day would have been attributable to information in the announcement that was arguably corrective.

13. On November 1, 2007, New York Attorney General (“NYAG”) Andrew Cuomo filed a Complaint against First American and its eAppraiseIT unit alleging collusion with WaMu to use a list of preferred appraisers to inflate mortgage appraisals.⁹ On November 2, 2007, after WaMu’s appraisal fraud came partially to light through the NYAG Complaint, Keefe Bruyette & Woods analyst Frederick Cannon questioned WaMu’s assertion that it had no incentive to inflate appraisal values and stated that the NYAG Complaint “could create big problems” and “raises an issue of considerable risk to Washington Mutual.” Among other things, the analysis underscored the enormous significance of WaMu’s practice of inflating appraisals to its financial condition.¹⁰ On this same day, WaMu’s regulatory agency, the OTS, disclosed that it was “actively looking

⁷ “WaMu Reports Third Quarter Earnings Per Share of \$0.23; Declares Cash Dividend of 56 Cents,” *Business Wire*, October 17, 2007, 16:05.

⁸ “Q3 2007 Washington Mutual Earnings Conference Call – Final,” *Voxant FD WIRE*, October 17, 2007.

⁹ “NY AG Sues First American, Unit In Mortgage Appraisal Probe,” *Dow Jones News Service*, November 1, 2007, 10:51.

¹⁰ “UPDATE: Analyst Says WaMu Faces Taking Back Securitized Mortgages,” *Dow Jones Business News*, November 2, 2007, 15:09.

into” the allegations of appraisal manipulation at WaMu.¹¹ After careful consideration, I decided to exclude November 1, 2007 as a partial disclosure date because the price movement of WaMu Common Stock on that date was not statistically significant. However, in response to the partial disclosure on November 2, 2007, WaMu Common Stock and Capital Trust Unit Preferred declined by \$1.32 per share and \$0.35 per share, respectively, after accounting for market and industry factors.

14. I anticipated that defendants would have vigorously objected to the characterization of the events on either November 1, 2007 or November 2, 2007 as corrective. The company did not explicitly admit to any wrongdoing or explicitly correct a previous misstatement. Moreover, WaMu strongly denied any charges of wrongdoing. Nevertheless, if plaintiffs had succeeded in establishing liability, it is my view that at least a portion of the decline on November 2, 2007 would have been found to be corrective.

15. On November 7, 2007, New York Attorney General Cuomo announced the expansion of his investigation into WaMu’s fraudulent appraisal practices to include examining loans WaMu sold to Fannie Mae and Freddie Mac, and that he had subpoenaed Fannie and Freddie to provide information regarding loans they had purchased from WaMu. WaMu also announced that it expected the loan loss provision for first quarter 2008 to be similar or slightly higher than the \$1.1 to \$1.3 billion range of the Company’s fourth quarter 2007 loan loss provision.¹² On the same day, WaMu announced it expected 2007 credit losses of between \$2.7 billion to \$2.9 billion because of its exposure to subprime and other risky credits. In response, WaMu Common Stock and Capital Unit Trust Preferred declined by \$2.28 per share and \$1.12

¹¹ “WaMu accused of pushing appraisers to inflate values; Seattle lender disputes claims; New York lawsuit targets appraisal firm; WaMu cuts ties,” *Seattle Times*, November 2, 2007.

¹² Amended Complaint at ¶¶ 565-66.

per share, respectively, after accounting for market and industry factors. In my view, if plaintiffs succeeded in establishing liability, at least a portion, of the decline observed on November 7, 2007 would have been found to be causally related to corrective information.

16. On December 10, 2007, after the close of trading, WaMu issued a press release announcing, among other things, that it was: (i) reducing the quarterly dividend rate to \$0.15 per share from its most recent quarterly dividend rate of \$0.56 per share; (ii) doing a major “resizing” of its home loans business; and (iii) conducting a \$2.5 billion offering of convertible preferred stock.¹³ In response, on the next day, December 11, 2007, WaMu Common Stock declined by \$0.91 per share after accounting for market and industry factors. (The price of Capital Trust Unit Preferred increased \$1.03 per share after accounting for market and industry factors.) In my view, if plaintiffs established liability for their claims, at least a portion of the decline on this day would have been attributable to corrective information.

17. On December 21, 2007, before the open of the market, *The Wall Street Journal* reported that the SEC had launched an inquiry into the Company’s mortgage lending practices on whether “the company properly accounted for its loans in financial disclosures to investors of the company.”¹⁴ In response, WaMu Common Stock and Capital Trust Unit Preferred declined by \$0.81 per share and \$2.03 per share, respectively, after accounting for market and industry factors. In my view, if plaintiffs were successful in establishing liability, this event would be causally related to the wrongdoing. Unlike the other disclosures, which I believe were

¹³ “WaMu to Raise \$2.5 Billion in Additional Capital, Reduce Dividend, Resize Home Loans Business and Cut Expenses to Fortify Capital Base; * Expects Net Loss for Fourth Quarter 2007 With Non-cash Writedown of Home Loans Segment Goodwill * Non-cash Writedown Will Not Affect Key Capital Ratios or Liquidity,” *Business Wire*, December 10, 2007, 16:04.

¹⁴ “SEC Probes WaMu on Appraisals --- Regulator Checks Handling Of Loans Possibly Based On Inflated Valuations,” *The Wall Street Journal*, December 21, 2007.

confounded by earnings-related information that was arguably timely due to the credit crisis, such confounding information was not present with respect to this disclosure. Instead, it was specifically related to allegations the company engaged in accounting fraud. For this reason, I believe the entire decline on this day would have been attributable to corrective information.

18. On March 7, 2008, *The Wall Street Journal* reported that WaMu was approaching private-equity funds and other investors about possible cash infusions.¹⁵ On the same day, Merrill Lynch stated in a report that it expected the Company to report losses of as much as \$11.2 billion through 2009.¹⁶ In response, WaMu Common Stock and Capital Trust Unit Preferred declined by \$1.19 per share and \$1.84 per share, respectively, after accounting for market and industry factors. In my view, if plaintiffs had established liability, at least a portion of the price decline on this event would be attributed to the wrongdoing because the event moved the market closer to an understanding of the firm's true underlying financial condition.

19. On July 22, 2008, the Company issued the final disclosure of the Class Period. On this day, after the close of trading, WaMu held a conference call announcing a second quarter 2008 net loss of \$3.33 billion and that it had significantly increased its loan loss reserves by \$3.74 billion to \$8.46 billion. WaMu also announced that it "significantly reduced our production of new mortgages and tightened our underwriting standards against our loan portfolio."¹⁷ In response, on the next day, July 23, 2008, WaMu Common Stock and Capital Trust Unit Preferred declined by \$1.30 per share and \$1.05 per share, respectively, after

¹⁵ "Regulators Push the Banks --- Seek Outside Capital, Market Officials Urge, And WaMu Is Doing So," *The Wall Street Journal*, March 7, 2008.

¹⁶ Amended Complaint at ¶ 596.

¹⁷ "WaMu Reports Significant Build-Up of Reserves Contributing to Second Quarter Net Loss of \$3.3 Billion; Company Increases Capital Levels Company Expects to Reduce Expenses by \$1 billion," *Business Wire*, July 22, 2008, 16:11.

accounting for market and industry factors. In my view, if plaintiffs had succeeded in establishing liability, at least a portion of the abnormal stock price decline on this day would have been attributable to corrective disclosures related to the alleged fraud.

V. PLAN OF ALLOCATION FOR EXCHANGE ACT CLAIMS — RECOGNIZED LOSS AMOUNT

20. To share in the distribution of the Net Settlement Fund, an Authorized Claimant must have purchased or otherwise acquired an eligible security during the Class Period, and must have suffered a loss resulting from the alleged fraud on his/her/its investments in that security. A “Recognized Loss Amount” will be calculated for each eligible purchase or acquisition of an eligible security. The calculation of the Recognized Loss Amount will depend upon several factors, including when and at what price the eligible security was purchased or otherwise acquired, whether the security was sold, redeemed or otherwise disposed of, and if sold, redeemed or otherwise disposed of, when and at what price such security was sold, redeemed or otherwise disposed of. The fundamental economic principle applied is that the damages should equal the level of artificial price inflation at time of purchase minus the artificial price inflation at time of sale after adjusting for chances of success for each relevant disclosure.

21. The following Table A summarizes the abnormal price movements (*i.e.*, price movements after controlling for market and industry factors) of the relevant securities on each of the partial disclosure dates as detailed above in Section IV:

Table A
Abnormal Price Movement of WaMu Common Stock and
Capital Trust Unit Preferred

Date	Common Stock	Capital Trust Unit Preferred
October 18, 2007	-\$1.86*	-\$1.82*
November 2, 2007	-\$1.32*	-\$0.35
November 7, 2007	-\$2.28*	-\$1.12*
December 11, 2007	-\$0.91*	\$1.03
December 21, 2007	-\$0.81*	-\$2.03*
March 7, 2008	-\$1.19*	-\$1.84*
July 23, 2008	-\$1.30*	-\$1.05

* indicates abnormal price movement is statistically significant.

22. The calculation of Recognized Loss Amounts for Section 10(b) Securities starts from the change in security prices on the disclosure events described above. However, as discussed above, with the exception of the disclosure on December 21, 2007, the other disclosures contained both information that was allegedly corrective of past misstatements as well as confounding information that affected the price of WaMu securities. Based on my work in this matter, which included an analysis of both the general market and company-specific news on each date, as well as conversations with counsel, I felt it was necessary, fair, equitable, and appropriate to apply a probability to each event to reflect that the events had different relative probabilities of success at trial. In my view, these probabilities reflect both: (1) the chance that defendants would succeed in eliminating an event entirely despite a finding of liability; and (2) the probability that only a portion of the price decline would be found related to corrective information, rather than confounding timely information. Table B lists the adjusted abnormal price movements on each of the partial disclosure dates, and Table C gives the resulting artificial inflation in WaMu Common Stock and Capital Trust Unit Preferred during the Class Period:

Table B
Abnormal Price Movement of WaMu Common Stock and Capital Trust Unit Preferred
After Accounting for Probability of Full Inclusion at Trial

Date	Estimated Probability of Full Inclusion	Common Stock		Capital Trust Unit Preferred	
		Full Abnormal Price Movement	Adjusted Abnormal Price Movement	Full Abnormal Price Movement	Adjusted Abnormal Price Movement
October 18, 2007	50%	-\$1.86	-\$0.93	-\$1.82	-\$0.91
November 2, 2007	25%	-\$1.32	-\$0.33	-\$0.35	-\$0.09
November 7, 2007	75%	-\$2.28	-\$1.71	-\$1.12	-\$0.84
December 11, 2007	50%	-\$0.91	-\$0.45	\$1.03	\$0.52
December 21, 2007	100%	-\$0.81	-\$0.81	-\$2.03	-\$2.03
March 7, 2008	50%	-\$1.19	-\$0.60	-\$1.84	-\$0.92
July 23, 2008	75%	-\$1.30	-\$0.97	-\$1.05	-\$0.79

Table C
WaMu Common Stock and Capital Trust Unit Preferred Estimated Artificial
Inflation Per Share After Adjusting for Probability of Success

Date	Common Stock	Capital Trust Unit Preferred
October 19, 2005 to October 17, 2007	\$5.80	\$5.06
October 18, 2007 to November 1, 2007	\$4.87	\$4.15
November 2, 2007 to November 6, 2007	\$4.54	\$4.06
November 7, 2007 to December 10, 2007	\$2.83	\$3.22
December 11, 2007 to December 20, 2007	\$2.38	\$3.74
December 21, 2007 to March 6, 2008	\$1.57	\$1.71
March 7, 2008 to July 22, 2008	\$0.97	\$0.79
July 23, 2008 Onwards	\$0.00	\$0.00

23. In addition, the calculation of Recognized Loss Amounts for Section 10(b) Securities incorporates the 90-day lookback provision of the Private Securities Litigation Reform Act of 1995 (“PSLRA”). The limitations on calculation of Recognized Loss Amounts imposed by the PSLRA are applied such that losses calculated based on inflation at purchase

minus inflation at sale on shares purchased during the Class Period and sold after the 90-day lookback period cannot exceed the difference between the purchase price paid and the average price during the 90-day lookback period. Losses calculated based on inflation at purchase minus inflation at sale on shares purchased during the Class Period and sold during the 90-day lookback period cannot exceed the difference between the purchase price paid during the Class Period and the rolling average of the closing stock prices during 90-lookback period as of the date of sale.

24. A Recognized Loss Amount will be calculated for each eligible transaction a Claimant submits, according to the formula set forth in the Plan of Allocation included in the Notice. The full text of the calculations as they appear in the Plan of Allocation is set forth in **Appendix C**. The sum of a Claimant's Recognized Loss Amounts based on all of his, her or its purchases or acquisitions of WaMu Common Stock and Capital Trust Unit Preferred during the Class Period as calculated under the formula is the Claimant's Exchange Act Loss. *See* Plan of Allocation ¶ 57. A *pro rata* distribution of the Net Settlement Fund created by the D&O/WaMu Settlement (the "Exchange Act Fund") will be made to Authorized Claimants based on the amount of their Exchange Act Losses. *See* Plan of Allocation ¶¶ 57, 59.

VI. SUMMARY OF PLAINTIFFS' SECURITIES ACT (SECTION 11) CLAIMS AND ALLEGED MISREPRESENTATIONS AND OMISSIONS IN OFFERING DOCUMENTS

25. In order to have recoverable damages on Securities Act claims, plaintiffs must have purchased securities relying on misstatements and omissions in the Offering Documents of the securities. The core allegations in the Securities Act claims focus on improper "lending standards" and "appraisal and underwriting practices." More specifically, plaintiffs allege that:

(i) WaMu concealed “fraudulent” appraisal practices; (ii) WaMu “loosened” its underwriting and risk management practices; (iii) the impact of these bad practices resulted in a deterioration of WaMu’s overall credit risk and financial performance; and (iv) WaMu failed to account properly for this deteriorating performance in its financial statements, and violated Generally Accepted Accounting Principles (“GAAP”).

26. Section 11 of the Securities Act governs liability for false statements and omissions in a registration statement. The statute defines the measure of damages as the:

difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and (1) the value thereof as of the time such suit was brought, or (2) the price at which such security shall have been disposed of in the market before suit, or (3) the price at which such security shall have been disposed of after suit but before judgment if such damages shall be less than the damages representing the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and the value thereof as of the time such suit was brought...¹⁸

27. In other words, for each eligible security sold prior to date of suit, damages are the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and the price at which the security was sold. For securities sold after the date of suit, damages are the difference between the amount paid for the security (not exceeding the price at which the security was offered to the public) and the higher of the price at which the security was sold and the “value” of the security as of the date of suit.

28. The statute also allows defendants to offset some or all of the financial losses under the statutory formula to the extent they can prove that the declines in value were not a result of the alleged securities violations – or “negative causation.” The statute provides:

¹⁸ Securities Act, Sec. 11(e).

if the defendant proves that any portion or all of such damages represents other than the depreciation in value of such security resulting from such part of the registration statement, with respect to which his liability is asserted, not being true or omitting to state a material fact required to be stated therein or necessary to make the statements therein not misleading, such portion of or all such damages shall not be recoverable.¹⁹

29. Though I expected defendants would have vigorously pursued negative causation arguments, ultimately we expected it would be difficult to scientifically prove a substantial portion of the price declines were totally unrelated to the allegations. In addition, at this stage of the case, I was not aware of a specific model defendants were considering. Therefore, assumptions as to the arguments defendants would make were speculative, and their probability of effectiveness, were this case to go to trial, was not reasonably estimable. Moreover, unlike the Exchange Act claims where the burden of proof rests with the plaintiffs, on the Securities Act claims the burden rests with defendants to prove that the losses were not caused by the alleged misrepresentations. Given these considerations and the fact that the Plan of Allocation is only used to determine the relative position of Class Members for purposes of pro-rating and allocating the proceeds available for these claims, I determined that no offset for negative causation was necessary.²⁰ As a result, I determined that the reasonable approach would be to calculate Recognized Loss Amounts for the Section 11 Securities based on the statutory damage calculation as defined by the Securities Act. The full text of these Recognized Loss calculations as they appear in the Plan of Allocation is in **Appendix C**.

¹⁹ Securities Act, Sec. 11(e).

²⁰ The use of the statutory damages formula without an adjustment for negative causation for Securities Act claimants will not have any impact on the amounts available to Exchange Act claimants because I understand the size of the Securities Act and Exchange Act funds are fixed dollar amounts and they will be allocated separately.

30. The sum of a Claimant's Recognized Loss Amounts based on all of his, her or its purchases or acquisitions of Series R Stock, Floating Rate Notes and 7.250% Notes during the Class Period is the Claimant's Securities Act Loss. *See* Plan of Allocation ¶ 57. The Net Settlement Funds created by the Underwriters Settlement and Deloitte Settlements (the "Securities Act Fund") will be distributed to Authorized Claimants on a *pro rata* basis based on the amount of their Securities Act Losses. *See* Plan of Allocation ¶ 59.

VII. THE PLAN OF ALLOCATION IS EQUITABLE AND REASONABLE

31. The Plan of Allocation, as described above, is a reasonable methodology for calculating the Recognized Loss Amounts consistent with Lead Plaintiff's allegations.

32. To the extent a Claimant had a market gain from his, her or its overall transactions in WMI Class Securities during the Class Period, no loss is recognized under the Plan. Also, should a Claimant have an actual market loss on the totality of his, her or its transactions in WMI Class Securities during the Class Period which is less than his, her or its Recognized Claim (the sum of all Recognized Loss Amounts for every eligible transaction they submit), the Recognized Claim is limited to the amount of the actual loss and the Claimant's Securities Act Loss and Exchange Act Loss will be reduced proportionally. *See* Plan of Allocation ¶ 66.

33. The Plan of Allocation will appropriately distribute the settlement proceeds in proportion to each Authorized Claimant's Recognized Claim: "The Distribution Amount paid to an Authorized Claimant will be the sum of (i) his, her or its *pro rata* share of the Exchange Act Fund; and (ii) his, her or its *pro rata* share of the Securities Act Fund. If an Authorized Claimant's Distribution Amount calculates to less than \$20.00, no distribution will be made to that Authorized Claimant." Plan of Allocation ¶ 61.

34. The calculation of Recognized Loss Amounts in the Plan of Allocation is based upon estimates for price inflation and damages that I calculated during the course of this litigation and appropriately takes into account discounts based on the relative probability of success. In my opinion, the Plan of Allocation treats Class Members who purchased securities at different times within the Class Period, in an equitable manner, and thus, the Plan is equitable and reasonable with respect to determining Recognized Loss Amounts. The Plan also treats purchasers of the different types of securities (common stock, preferred stock, notes, and capital trust unit preferred) equitably by tailoring the calculation of Recognized Loss Amounts to correspond with differences in the claims and observed price reactions.

I declare, under penalty of perjury under the laws of the United States, that the foregoing facts are true and correct. Executed on September 25, 2011.



Chad Coffman

Appendix A

CHAD W. COFFMAN, CFA

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EMPLOYMENT:

Global Economics Group, LLC

President (2008 - Current)

Global Economics Group specializes in the application of economics, finance, statistics, and valuation principles to questions that arise in a variety of contexts, including litigation and policy matters throughout the world. With offices in Chicago, Boston, San Francisco and Atlanta, Principals of Global Economics Group have extensive experience in high-profile securities, antitrust, labor, and intellectual property matters.

Market Platform Dynamics, LLC

Chief Financial Officer & Chief Operating Officer (2010 – Current)

Market Platform Dynamics is a management consulting firm that specializes in assisting platform-based companies profit from industry disruption caused by the introduction of new technologies, new business models and/or new competitive threats. MPD's experts include economists, econometricians, product development specialists, strategic marketers and recognized thought leaders who apply cutting-edge research to the practical problems of building and running a profitable business.

Chicago Partners, LLC

Principal (2007 – 2008)
Vice President (2003 – 2007)
Director (2000 – 2003)
Senior Associate (1999 – 2000)
Associate (1997 – 1999)
Research Analyst (1995 – 1997)

EDUCATION:

CFA Chartered Financial Analyst, 2003

M.P.P. University of Chicago, 1997

Masters of Public Policy, with a focus in economics including coursework in Finance, Labor Economics, Econometrics, and Regulation

B.A. Knox College, 1995
Economics, Magna Cum Laude
Graduated with College Honors for Paper entitled "Increasing Efficiency in Water Supply Pricing: Using Galesburg, Illinois as a Case Study"
Dean's List Every Term
Phi Beta Kappa

SELECTED EXPERIENCE:

Experience in Securities and Valuation Cases:

- Expert consultant for Citigroup/Salomon Smith Barney in various matters related to Jack Grubman's analyst coverage of various companies. This included supporting multiple experts at high-profile arbitration where plaintiffs claimed \$900 million in damages. Arbitration panel returned a verdict in favor of client (reported in Wall Street Journal).
- Expert damages consultant in dozens of 10b-5 and Section 11 securities litigation, including, but not limited to:
 - WorldCom
 - Enron
 - Tyco
 - Parmalat
 - Sears
 - Atlas Air
 - UnumProvident
 - XL Capital
 - Household Finance/HSBC
 - Dynegy
 - Anicom
- Expert consultant in multiple cases involving market timing and/or late-trading. Developed models to estimate market timing profits.
- Served as neutral expert for mediator (Judge Daniel Weinstein) in multiple 10(b)-5 securities cases as well as futures manipulation case.
- Expert consultant for the American Stock Exchange (AMEX) where I evaluated issues related to multiple listing of options. Performed econometric analysis of various measures of option spread using tens of millions of trades.
- Expert consultant to large hedge fund that owned bonds in WorldCom. Responsible for directing analysis that led to favorable settlement of their claim in the bankruptcy.
- Performed detailed audit of CDO valuation models employed by a banking institution to satisfy regulators – non-litigation matter.

- Played significant role in highly-publicized internal accounting investigations of two Fortune 500 companies. One led to restatement of previously issued financial statements and both involved SEC investigations.
- Testifying expert in the matter of Kuo, Steven Wu v. Xceedium Inc, Supreme Court of New York, County of New York, Index No. 06-100836. Filed report re: the fair value of Mr. Kuo's shares. Case settled at trial.
- Testifying expert in the matter of Pallas, Dennis H. v. BPRS/Chestnut Venture Limited Partnership and Gerald Nudo, Circuit Court of Cook County, Illinois, County Department, Chancery Division. Filed report re: fair value of Pallas shares. Report: July 9, 2008. Deposition August 6, 2008. Court Testimony February 11, 2009.
- Testifying expert in Washington Mutual Securities Litigation, United States District Court, Western District of Washington, at Seattle, No. 2:08-md-1919 MJP, Lead Case No. C08-387 MJP. Filed declaration August 5, 2008 re: plaintiffs' loss causation theory. Filed expert report April 30, 2010. Filed rebuttal expert report August 4, 2010.
- Testifying expert in DVI Securities Litigation, United States District Court, Eastern District of Pennsylvania, 2:03-CV-05336-LDD. Filed expert report October 1, 2008 re: damages. Filed rebuttal expert report December 17, 2008. Deposition January 27, 2009.
- Testifying expert in Syrtech Corporation v. Lifetime Brands, Inc. and Syrtech Acquisition Corporation, Supreme Court of the State of New York, Index No. 603568/2007. Filed expert report October 31, 2008.
- Expert declaration in Jacksonville Police and Fire Pension Fund, et al. v. AIG, Inc., et al., No. 08-CV-4772-LTS; James Connolly, et al. v. AIG, Inc., et al., No. 08-CV-5072-LTS; Maine Public Employees Retirement System, et al. v. AIG, Inc., et al., No. 08-CV-5464-LTS; and Ontario Teachers' Pension Plan Board, et al. v. AIG, Inc., et al., No. 08-CV-5560-LTS, United States District Court, Southern District of New York. Filed declaration February 18, 2009.
- Expert declaration in Connetics Securities Litigation, Case No. C 07-02940 SI, United States District Court for the Northern District of California, San Francisco Division. Filed declaration March 16, 2009.
- Testifying expert in Boston Scientific Securities Litigation, Master File No. 1:05-cv-11934 (DPW), United States District Court District of Massachusetts. Filed expert report August 6th, 2009. Deposition October 6, 2009.
- Expert declaration in Louisiana Sheriffs' Pension and Relief Fund, et al. v. Merrill Lynch & Co, Inc., et al., Case Number 08-cv-09063, United States District Court, Southern District of New York. Filed declaration October, 2009.
- Testifying expert in Henry J. Wojtunik v. Joseph P. Kealy, John F. Kealy, Jerry A. Kleven, Richard J. Seminoff, John P. Stephen, C. James Jensen, John P. Morbeck, Terry W. Beiriger, and Anthony T. Baumann. Filed expert report on January 25, 2010.

- Testifying expert in REFCO Inc. Securities Litigation, Case No. 05 Civ. 8626 (GEL), United States District Court for the Southern District of New York. Filed expert report February 2, 2010. Filed rebuttal expert report March 12, 2010. Deposition March 26, 2010.
- Expert declaration in New Century Securities Litigation, Case No. 07-cv-00931-DDP, United States District Court Central District of California. Filed declaration March 11, 2010.
- Testifying expert in Louisiana Municipal Police Employees' Retirement System, et. al. v. Tilman J. Fertitta, Steven L. Scheinthal, Kenneth Brimmer, Michael S. Chadwick, Michael Richmond, Joe Max Taylor, Fertitta Holdings, Inc., Fertitta Acquisition Co., Richard Liem, Fertitta Group, Inc. and Fertitta Merger Co, C.A. No. 4339-VCL, Court of Chancery of the State of Delaware. Filed expert report April 23, 2010.
- Testifying expert in Edward E. Graham and William C. Nordlund, individually and d/b/a Silver King Capital Management v. Eton Park Capital Management, L.P., Eton Park Associates, L.P. and Eton Park Fund, L.P. Case No. 1:07-CV-8375-GBD. Filed rebuttal expert report July 8, 2010. Deposition September 1, 2010. Filed supplemental rebuttal expert report August 22, 2011.
- Testifying expert in Moody's Corporation Securities Litigation. Case No. 1:07-CV-8375-GBD. Filed rebuttal expert report August 23, 2010. Deposition October 7, 2010. Filed rebuttal reply report November 5, 2010.
- Testifying expert in Minneapolis Firefighters' Relief Association v. Medtronic, Inc., et al. Civil No. 08-6324 (PAM/AJB). Filed expert report January 14, 2011.
- Testifying expert in In re Schering-Plough Corporation/ENHANCE Securities Litigation Case No.2:08-cv-00397 (DMC) (JAD). Filed expert report February 7, 2011.

Experience in Labor Economics and Discrimination-Related Cases:

- Expert consultant for Cargill in class action race discrimination matter in which class certification was defeated.
- Expert consultant for 3M in class action age discrimination matter.
- Expert consultant for Wal-Mart in class action race discrimination matter.
- Expert consultant for Novartis regarding various labor related issues.
- Expert consultant on various other significant confidential labor economics matters in which there were class action allegations related to race and gender.
- Expert consultant for large insurance company related to litigation and potential regulation resulting from the use of credit scores in the insurance underwriting process.
- Testifying expert in Shirley Cohens v. William Henderson, Postmaster General, United States Postal Service. United States District Court for the District of Columbia. C.A 1:00CV-1834 (TFH) – Filed report re: lost wages and benefits.

- Testifying expert in Richard Akins v. NCR Corporation. Before the American Arbitration Association – Filed report re: lost wages.

Selected Experience in Antitrust, General Damages, and Other Matters:

- Expert consultant in high-profile antitrust matters in the computer and credit card industries.
- Expert consultant for plaintiffs in re: Brand Name Drugs Litigation. Responsible for managing, maintaining and analyzing data totaling over one billion records in one of the largest antitrust cases ever filed in the Federal Courts.
- Served as neutral expert for mediator (Judge Daniel Weinstein) in allocating a settlement in an antitrust matter.
- Expert consultant in Seminole County and Martin County absentee ballot litigation during disputed presidential election of 2000.
- Expert consultant for sub-prime lending institution to determine effect of alternative loan amortization and late fee policies on over 20,000 customers of a sub-prime lending institution. Case settled favorably at trial immediately after the testifying expert presented an analysis I developed showing fundamental flaws in opposing experts calculations.

TEACHING EXPERIENCE:

KNOX COLLEGE, Teaching Assistant - Statistics, (1995)

KNOX COLLEGE, Tutor in Mathematics, (1992 - 1993)

PUBLICATIONS:

Coffman, Chad and Mary Gregson, "Railroad Construction and Land Value." *Journal of Real Estate and Finance*, 16:2, pp. 191-204 (1998).

Coffman, Chad, Tara O'Neil, and Brian Starr, Ed. Richard D. Kahlenberg, "An Empirical Analysis of the Impact of Legacy Preferences on Alumni Giving at Top Universities," *Affirmative Action for the Rich: Legacy Preferences in College Admissions*; pp. 101-121 (2010).

PROFESSIONAL AFFILIATIONS:

Associate Member CFA Society of Chicago

Associate Member CFA Institute

Phi Beta Kappa

AWARDS:

1994 Ford Fellowship Recipient for Summer Research.

1993 Arnold Prize for Best Research Proposal.
1995 Knox College Economics Department Award.

PERSONAL ACTIVITIES:

Pro bono consulting for Cook County State's Attorney's Office.

Appendix B

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON**

In re Washington Mutual Inc. Securities
Litigation

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EXPERT REPORT OF CHAD COFFMAN, CFA

I. INTRODUCTION

1. My name is Chad Coffman. I am the President of Winnemac Consulting, a Chicago-based firm that specializes in the application of economics, finance, statistics, and valuation principles to questions that arise in a variety of contexts, including, as here, in the context of litigation.

2. I have been asked by counsel for the Lead Plaintiff in this matter to examine and opine on:

- i. Whether the market for Washington Mutual, Inc. (“WaMu” or the “Company”) common stock (“WaMu Common Stock” or “Common Stock”) was efficient during the Class Period;¹ and
- ii. Whether the markets for WaMu’s 5.375% Series Unit Preferred Stock maturing 5/3/2041 (“Capital Trust Unit Preferred Stock”), WaMu’s depositary shares each representing a 1/40,000th ownership interest in a share of Series K Perpetual Non-Cumulative Floating Rate Preferred Stock (“Series K Preferred Stock”), and WaMu’s 7.75% Series R Non-Cumulative Perpetual Convertible Preferred Stock (“Series R Preferred Stock”) (collectively “WaMu Preferred Securities” or “Preferred Securities”) were efficient during the Class Period.

3. The materials I have relied upon in forming my opinions are summarized in **Appendix A**. Winnemac Consulting is being compensated at an hourly rate of \$450 per hour for my work on this matter and my compensation is in no way contingent on the outcome of this case. My qualifications are described below.

¹ The putative Class Period is from October 19, 2005 to July 23, 2008 (Amended Consolidated Class Action Complaint (“Complaint”) at ¶ 1).

II. QUALIFICATIONS

4. I hold a Bachelors Degree in Economics with Honors from Knox College and a Masters in Public Policy from the University of Chicago. I am also a CFA charter-holder. The CFA, or Chartered Financial Analyst, designation is awarded to those who have sufficient practical experience and complete a rigorous series of three exams over three years that cover a wide variety of financial topics including financial statement analysis and valuation.

5. I, along with several others, founded Winnemac Consulting in March 2008. Prior to starting Winnemac Consulting, I was employed by Chicago Partners for over twelve years where I was responsible for conducting and managing analysis in a wide variety of areas including securities valuation and damages, labor discrimination and antitrust. I have been engaged numerous times as a valuation expert both within and outside the litigation context. My experience in class action securities cases includes work for plaintiffs, defendants, D&O insurers and by a prominent mediator (Retired Judge Daniel Weinstein) to provide economic analysis and opinions in over a dozen securities class actions as well as other matters. As a result of my involvement in these cases, much of my career has been spent analyzing and making inferences about how quickly, reliably and the degree to which new information impacts securities prices.

6. My qualifications are further detailed in my curriculum vitae, which is attached as **Appendix B**.

III. SUMMARY OF OPINIONS

7. After analyzing WaMu Common Stock throughout the Class Period and giving careful consideration to the efficiency factors described in detail throughout this report, I have

formed the opinion that the market for WaMu Common Stock was efficient throughout the Class Period. This opinion is based upon my analysis described in Section VII, below.

8. After analyzing WaMu Preferred Securities throughout the Class Period and giving careful consideration to the efficiency factors described in detail throughout this report, I have formed the opinion that the markets for the WaMu Preferred Securities were efficient throughout the Class Period. This opinion is based upon my analysis described in Section VIII, below.

9. The remainder of this report is organized as follows: Section IV of this report provides an overview of WaMu and the claims in this case. Section V discusses the reliance requirement and the “fraud on the market” theory. Section VI introduces the *Cammer* Factors and other factors for evaluating market efficiency under the “fraud on the market” theory. Section VII evaluates the *Cammer* factors and other factors for WaMu Common Stock and Section VIII evaluates the *Cammer* factors and other factors for WaMu Preferred Securities. Section IX discusses loss causation.

10. I understand that discovery in this case is ongoing and has not yet been completed. Therefore, I reserve the right to amend this report to reflect new information available to me in light of the ongoing discovery process and/or future rulings from the Court. I have restricted my financial-economic analysis to the issue of market efficiency. If I conduct a damages analysis and submit a damages report in this matter in the future, I anticipate expanding the focus of my work at that time to include further analysis of the facts and claims in this Action, including other possible events during or after the Class Period that may have caused additional shareholder losses associated with the events and allegations in the Complaint.

IV. OVERVIEW OF WAMU, WAMU'S BUSINESS MODEL AND PLAINTIFFS' CLAIMS

11. WaMu was a Washington-based savings and loan holding company established in 1889. Before filing for bankruptcy in 2008, it had grown to be the largest savings and loan company in the United States and the seventh largest U.S.-based bank and thrift holding company.² Between 2005 and 2007, Washington Mutual employed approximately 50,000 people or more annually and owned a network of over 2,000 retail bank stores across the country.³

12. A significant portion of WaMu's business was originating and servicing home loans, including standard mortgages, home equity loans, and lines of credit for both the prime and subprime markets. According to the Complaint, residential home lending was WaMu's primary business from 2005 through 2008 and resulted in 70% of WaMu's net interest income.⁴

13. WaMu's residential lending business – which, as noted above, included both “prime” and “subprime” lending – was not only a main component of WaMu's business, but WaMu's lending operations during the Class Period were also substantial enough to make WaMu one of the most significant and largest originators of residential loans in the country. According to analyst reports, other public statements and the Complaint, WaMu was a national leader in residential lending and dominated that market segment. More specifically, according to a September 27, 2007 analyst report authored by IBISWorld, Inc., WaMu's Home Loans Group “[was] the nation's leading mortgage lender,” and WaMu commanded a 20% share of the

² Complaint at ¶¶ 16, 20; Washington Mutual 10-Ks 2004-2007.

³ Washington Mutual 10-Ks 2004-2007.

⁴ Complaint at ¶ 19.

market.⁵ Similarly, a November 17, 2006 analyst report issued by Citigroup Research stated that WaMu was the number three issuer of non-agency mortgage-backed securities (“MBS”) in 2005, and WaMu rose to become the number two issuer of non-agency MBS in 2006 (behind only Countrywide Financial Corp.).⁶ An April 13, 2010 formal statement by Senator Carl Levin also identified WaMu as a key player in the lending market, stating, “WaMu became one of the largest originators of [Option ARM] loans in the country. From 2006 until 2008, WaMu securitized or sold a majority of the Option ARMs it originated, infecting the financial system with these high risk mortgages.”⁷

14. As a result, WaMu’s “peer” companies were other very large financial institutions, such as Bank of America, Citibank, Wells Fargo and JPMorgan Chase.⁸ The Complaint identifies WaMu as being a key member of a small “peer” group of other major financial institutions that originated very large numbers of residential loans.⁹

15. WaMu, and banks generally, in each accounting period report credit losses (losses that have already been realized) and a reserve for future loan losses on their financial statements. This “loan loss reserve” is the amount of losses the bank has not yet realized, but expects to sustain based upon the nature of the portfolio of loans it holds.¹⁰ It is clear that credit losses and loan loss reserves are important metrics in evaluating the performance of a

⁵ “IBISWorld Company Operational Risk Rating report,” IBISWorld, September 27, 2007.

⁶ “WM: Meeting W/ Capital Markets Head Shows WM’s Got Game,” Citigroup Investment Research, November 17, 2006.

⁷ “Opening Statement of Senator Carl Levin (D-Mich) Before the U. S. Senate Permanent Subcommittee on Investigations on Wall Street and The Financial Crisis: The Role of High Risk Home Loans,” dated April 13, 2010 at page 9.

⁸ See Bear Stearns analyst report, dated October 9, 2006, at page 8.

⁹ See Complaint at Appendix D.

¹⁰ See, e.g., Complaint at ¶ 294 and Gay Hatfield and Carol Lancaster, “The Signaling Effects of Bank Loan—Loss Reserve Additions.” *Journal of Financial and Strategic Decisions* Volume 13 Number 1 Spring 2000, pp 57-73.

lending institution. Even a cursory review of reports issued by securities analysts that covered WaMu, and the transcripts of WaMu's conference calls with securities analysts, reveals that analysts focused on credit losses and loan loss reserves as critical metrics in evaluating the company's financial performance and condition.¹¹

16. The Complaint details a series of allegations of wrongdoing, but there are two primary themes that capture many of them: (1) WaMu unlawfully influenced the appraisal process to obtain inflated asset appraisals, and (2) WaMu misrepresented the quality of its underwriting and loss reserving process. Plaintiffs assert that these wrongful actions and misrepresentations caused the company's loan loss reserves to be materially and knowingly and/or recklessly understated because the company faced materially greater risk of losses than disclosed.

17. For example, according to the Complaint, throughout the Class Period, WaMu and its executives made misleading statements to the public regarding the value and riskiness of WaMu's loan portfolio, the nature of WaMu's underwriting and risk management processes, and produced inaccurate financial statements. More specifically, according to the Complaint, these defendants stated that WaMu's loan portfolio had a low loan-to-value ratio, that WaMu's lending and accounting were managed conservatively, that WaMu had appropriate risk management and underwriting procedures, and that WaMu did not pressure appraisers. All of these were allegedly materially false statements. According to the Complaint, management

¹¹ For example, in a report dated October 18, 2007, DA Davidson lowered its purchase recommendation to "Underperform" from "Neutral" and observed that "Credit quality deterioration was the big news this quarter, and it appears credit trends will disrupt Q4 results as well". Following the release of WaMu's financial results for the fourth quarter of 2007, Merrill Lynch lowered its estimates of WaMu's earnings and reported that "Credit remains the chief concern, likely delaying the return to profitability until Q2'09, based on our forecast for losses and related provisions."

knew or recklessly disregarded, among other things, that WaMu was pushing loans on unqualified buyers and inflating property values.

18. The economic link between Plaintiffs' claims and the value of WaMu and its securities is clear. If their claims are proven correct, and WaMu was relying on artificially inflated appraisal values, this would have the effect of overstating the value of collateral, understating loan to value ratios, and thus mischaracterizing the nature of WaMu's loan portfolio – which would typically affect both the accounting for loan losses and the market assessment of risk of loan losses at WaMu. In addition, if WaMu overstated the quality of its underwriting and loss reserving standards, the market would underestimate expected credit losses.¹²

19. Plaintiffs allege that when the truth regarding WaMu's lending practices and loan portfolio became known to the market through a series of partial disclosures, the prices of WaMu's securities plummeted. In particular, after the market closed on October 17, 2007, WaMu announced that it had doubled its estimate for 2007 losses.¹³ This news surprised the market and analysts immediately downgraded WaMu's Common Stock.¹⁴ The following day WaMu Common Stock fell 7.7%.¹⁵ Plaintiffs allege that this was a partial corrective disclosure because the size of the loan losses were larger than the Defendants led the market to believe

¹² See Section IX below for additional discussion of Plaintiffs' allegations and theory of loss causation.

¹³ "WaMu Reports Third Quarter Earnings Per Share of \$0.23 ; Declares Cash Dividend of 56 Cents," Business Wire, 16:05, 10/17/2007; "Q3 2007 Washington Mutual Earnings Conference Call – Final," Voxant FD (FAIR DISCLOSURE) WIRE, 10/17/2007; Complaint at ¶ 557.

¹⁴ Complaint at ¶ 558.

¹⁵ *Id.* at ¶ 559.

they would be because WaMu had previously misled investors into believing that they had higher quality loans than they actually held.¹⁶

20. New York Attorney General (“NYAG”) Andrew Cuomo brought suit against First American eAppraiseIT for inflating appraisals on November 1, 2007.¹⁷ Evidence from eAppraiseIT email messages indicated that WaMu, eAppraiseIT’s largest customer, regularly pressured eAppraiseIT to produce higher appraisal values. WaMu selected the appraisers that eAppraiseIT and other appraisal companies could use to value WaMu related properties. Appraisers who did not comply were removed from WaMu’s list of accepted appraisers.¹⁸ On November 2, 2007, a former WaMu appraiser confirmed that underwriting standards at WaMu had lapsed and that appraisers were chosen based on accepted contracts rather than quality analysis. WaMu Common Stock price fell 7.5% on that date.¹⁹

21. On November 7, 2007, NYAG Cuomo expanded his investigation into WaMu by having Freddie Mac and Fannie Mae review the loans WaMu sold to them.²⁰ Ratings agencies cut their outlook on WaMu as the company forecast nearly \$3 billion in credit losses for the upcoming quarter. WaMu Common Stock dropped by more than 17% on that date.²¹

¹⁶ *Id.* at ¶ 560.

¹⁷ “NY AG Sues First American, Unit In Mortgage Appraisal Probe,” Dow Jones News Service, 10:51, 11/1/2007. Complaint at ¶ 561.

¹⁸ *Id.* at ¶ 117.

¹⁹ *Id.* at ¶ 564.

²⁰ “NEW YORK ATTORNEY GENERAL CUOMO SENDS LETTERS OF NOTICE AND DEMAND TO FREDDIE MAC, FANNIE MAE,” US Fed News, 11/7/2007; “UPDATE 5-NY subpoenas Fannie, Freddie in mortgage probe,” Reuters News, 09:22, 11/7/2007; Complaint at ¶ 565.

²¹ Complaint at ¶ 567.

22. After the close of trading on December 10, 2007, WaMu announced that it would need to raise additional capital.²² Immediately following the announcement Moody's and Fitch downgraded their ratings of WaMu.²³ WaMu Common Stock dropped by more than 12% on the following day.²⁴ According to the Complaint, throughout the Class Period additional partial disclosures about WaMu were made periodically announcing the need for additional capital, increased loan loss reserves and credit loss projections, and WaMu's ratings were typically cut in response. For example, on March 7, 2008 the Wall Street Journal reported that WaMu was once again searching for additional capital and the rating agencies downgraded WaMu securities as the WaMu Common Stock price fell nearly 9% on that date.²⁵ Plaintiffs allege that this and other similar disclosures were partial disclosures of WaMu's true financial condition, but that Defendants' positive statements and/or denials of wrongdoing continued to hide the full truth about WaMu, and that therefore the market continued to react with surprise (and negatively) to these unexpected announcements.

23. After the close of trading on July 22, 2008, WaMu announced that its second quarter 2008 net loss totaled \$3.3 billion and that its loan loss reserves increased by \$3.74 billion.²⁶ The following day (July 23, 2008 - the end of the Class Period), the ratings agencies

²² "WaMu to Raise \$2.5 Billion in Additional Capital, Reduce Dividend, Resize Home Loans Business and Cut Expenses to Fortify Capital Base ; * Expects Net Loss for Fourth Quarter 2007 With Non-cash Writedown of Home Loans Segment Goodwill * Non-cash Writedown Will Not Affect Key Capital Ratios or Liquidity," Business Wire, 16:04, 12/10/2007. Complaint at ¶ 575.

²³ "Fitch Downgrades Washington Mutual to 'A-'; Outlook Negative," Business Wire, 16:30, 12/10/2007 "Fitch, Moody's cut WaMu on mortgage exposures," Reuters News, 17:15, 12/10/ 2007

²⁴ Complaint at ¶ 578.

²⁵ "Regulators Push the Banks --- Seek Outside Capital, Market Officials Urge, And WaMu Is Doing So," The Wall Street Journal, 3/7/2008. Complaint at ¶ 596.

²⁶ "WaMu Reports Significant Build-Up of Reserves Contributing to Second Quarter Net Loss of \$3.3 Billion ; Company Increases Capital Levels Company Expects to Reduce Expenses by \$1 billion," Business Wire, 16:11, 7/22/2008; "Event Brief of Q2 2008 Washington Mutual Earnings Conference Call – Final," Voxant FD (FAIR DISCLOSURE) WIRE, 7/22/2008; "S&P cuts Washington Mutual to just

downgraded WaMu bonds to junk status and WaMu Stock fell 20%.²⁷ By the end of September 2009, WaMu was closed by the Federal Government and had to file for bankruptcy.²⁸

V. BACKGROUND AND DISCUSSION OF RELIANCE REQUIREMENT

24. Plaintiffs assert the “fraud on the market” theory of reliance in this matter. The “fraud on the market” theory is based on the notion that in an efficient market (one in which all publicly available information is incorporated into the market price), all purchasers implicitly rely on any misrepresentations since the value of those misrepresentations is incorporated into everyone’s purchase price. The “fraud on the market” theory was first addressed by the U.S. Supreme Court in *Basic v. Levinson*:

In an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business... Misleading statements will therefore defraud purchasers of stock even if the purchasers do not directly rely on the misstatements... The causal connection between the defendants' fraud and the plaintiffs' purchase of stock in such a case is no less significant than in a case of direct reliance on misrepresentations.²⁹

25. As indicated in *Basic*, in an open, developed and efficient market, prices reflect what is known about a company. If a company provides the market with misleading information regarding their financial strength or business practices, the market price will be inflated compared to what the price would have been if the truth were known (but-for misleading

above junk,” Reuters News, 10:21, 7/23/2008; Piper Jaffray Downgrades Washington Mutual (WM) to Sell, StreetInsider.com, 7/23/2008; Complaint at ¶ 617.

²⁷ Complaint at ¶ 620.

²⁸ *Id.* at ¶ 626.

²⁹ *Basic v. Levinson*, 485 U.S. 224, 240 (1988).

information). Thus, in an efficient market where plaintiffs prove there were material misrepresentations, all purchasers implicitly relied on those misrepresentations.

26. Determining whether the market for a security was “open and developed” or “efficient” to the degree required for a presumption of reliance under the “fraud on the market” theory is an empirical exercise. The esteemed economist Dr. Eugene Fama, in his seminal research, first outlined definitions of an “efficient market”.³⁰ He described different levels of efficiency which he called “weak-form,” “semi-strong-form” and “strong-form” efficiency.³¹

27. The market efficiency standard adopted by *Basic* as necessary for the presumption of reliance conforms to Dr. Fama’s “semi-strong form” efficiency. “Semi-strong form” efficiency implies that all public information is reflected in a stock's current market price. This implies that security prices adjust to new publicly available information rapidly and in an unbiased fashion so that it is impossible to earn excess returns by trading on that information. *Basic* stated: “In an open and developed securities market, the price of a company's stock is determined by the available material information regarding the company and its business.”³² The Supreme Court’s effective adoption of the “semi-strong form” efficiency standard is economically sensible because it recognizes that insiders often possess non-public information

³⁰ Eugene Fama, “Efficient Capital Markets: A Review of Theory and Empirical Work,” *Journal of Finance* Vol. 25, 1970, p 383.

³¹ “Weak-form” efficiency requires that historical prices are not predictive of future prices. Under this form of efficiency, excess returns cannot be earned using strategies based on historical prices. Therefore, technical analysis will not produce consistent excess returns over time. “Semi-strong form” efficiency implies that all public information is reflected in a stock's current market price. Security prices adjust to new publicly available information rapidly and in an unbiased fashion so that it is impossible to earn excess returns by trading on that information. Under this form of efficiency, neither fundamental nor technical analysis can produce consistent excess returns. “Strong-form” efficiency, implies all information in the market, whether public or private, is accounted for in the market price. In this market, investors cannot consistently earn excess returns over a long period of time even if they have inside information.

³² *Basic v. Levinson*, 485 U.S. 224, 240 (1988).

and that securities prices do not necessarily reflect this non-public information, but that to presume reliance, the market price must reflect all publicly available information.

28. In the next Section, I will explain the factors that I understand are regularly considered by Courts in determining whether the market for a particular security is efficient.

VI. CAMMER FACTORS

29. In *Cammer v. Bloom*, the court identified the following factors as relevant to the determination of whether an efficient market exists for a given security: 1) average weekly trading volume, 2) analyst coverage, 3) market makers, 4) SEC Form S-3 eligibility, and 5) price reaction to unexpected information.³³

30. The *Cammer* decision relied on Bromberg & Lowenfels' definition of efficiency.³⁴ As articulated below, the adopted definition of efficiency is clearly consistent with Fama's definition of "semi-strong" efficiency.³⁵ For the purposes of this exercise, I adopt Bromberg & Lowenfels' definitions for the terms "open," "developed," and "efficient" as described below:

An open market is one in which anyone, or at least a large number of persons, can buy or sell.

A developed market is one which has a relatively high level of activity and frequency, and for which trading information (e.g., price and volume) is widely available. It is principally a secondary market in outstanding securities. It usually, but not necessarily, has continuity and liquidity (the ability to absorb a reasonable amount of trading with relatively small price changes).

³³ *Cammer v. Bloom*, Civil Action No. 88-2458, U.S. District Court for the District of New Jersey, April 19, 1989.

³⁴ *Id.* p 2.

³⁵ Eugene Fama, "Efficient Capital Markets: A Review of Theory and Empirical Work," *Journal of Finance* Vol. 25, 1970, p 383.

An *efficient market* is one which rapidly reflects new information in price.

These terms are cumulative in the sense that a developed market will almost always be an open one. And an efficient market will almost invariably be a developed one.³⁶

31. While there is a clear and well-accepted economic theory of market efficiency, there are no broadly accepted bright-line empirical tests that allow one to classify a particular market as “efficient” or “inefficient.” In my view, the *Cammer* decision identified important metrics to consider when evaluating efficiency for purposes of the “fraud on the market” theory.

32. In the subsequent sections I evaluate each of the *Cammer* factors, as well as the following additional factors that are relevant to assessing market efficiency: 1) market capitalization, 2) bid-ask spread, 3) the fraction of shares held by institutional investors, and 4) autocorrelation (meaning whether there is a pattern in a security’s returns so that past returns have the ability to predict future returns).

33. In Section VII, I empirically evaluate each factor for WaMu Stock during the putative Class Period. In Section VIII, I evaluate WaMu Preferred Securities.

VII. APPLICATION OF EFFICIENCY FACTORS TO WAMU COMMON STOCK

A. OVERVIEW

34. After giving careful consideration to each of the efficiency factors described in detail below, I find that each factor supports my opinion that the market for WaMu Common Stock was efficient throughout the Class Period.

³⁶ *Cammer v. Bloom*, Civil Action No. 88-2458, U.S. District Court for the District of New Jersey, April 19, 1989, p 2 (citing Bromberg & Lowenfels, *Securities Fraud and Commodities Fraud*, § 8.6 (Aug. 1988) (emphasis added)).

35. My analyses and related conclusions concerning the factors relevant to a finding of market efficiency for WaMu Common Stock throughout the Class Period are discussed below. In addition to the discussion below, **Exhibit 1** shows that for each of the factors examined, the empirical evidence supports a finding that WaMu Common Stock traded in an efficient market. As further background to my analyses, **Exhibit 2** displays the Common Stock closing price and trade volume for each day throughout the Class Period.

36. In summary, the average weekly trading volume far exceeds benchmarks that the Courts have established. During the Class Period, the average **daily** trade volume for WaMu Stock was **18 million shares**. This is a tremendous quantity of shares trading hands, and as I will demonstrate, this is extremely high relative to other common stocks traded on the NYSE. These facts are supportive of the conclusion that WaMu Common Stock traded in an open, developed, and efficient market throughout the Class Period.

37. Also, there were an abundance of securities analysts following and reporting on WaMu, and WaMu had one of the largest market capitalizations of all firms on the NYSE and NASDAQ. I also empirically demonstrate a strong cause and effect relationship between new company-specific information and the market price of WaMu Common Stock.

B. CAMMER FACTOR 1: AVERAGE WEEKLY TRADING VOLUME

38. The first *Cammer* factor is the average weekly trading volume of a security. According to one authority cited by the *Cammer* court,

[T]urnover measured by average weekly trading of 2% or more of the outstanding shares would justify a strong presumption that the market for a security is an efficient one; 1% would justify a substantial presumption.³⁷

³⁷ *Cammer v. Bloom*, Civil Action No. 88-2458, U.S. District Court for the District of New Jersey, April 19, 1989, p 28 (citing Bromberg, et al.).

39. Volume as a fraction of shares outstanding is an important indicator of market efficiency. First, volume is objectively quantifiable and comparable across securities. Second, high volume is generally indicative of continuity, liquidity, and market depth – which are highly indicative of market efficiency. Third, substantial volume would indicate there is likely a market for the collection and distribution of information about the security. As Thomas and Cotter explain, “Trading volume was also considered as an eligibility standard because it affects information dissemination to the market, and was an important criterion for investment analysts in deciding which stocks to follow.”³⁸

40. WaMu Common Stock easily surpasses the threshold level of average weekly trading volume necessary for an efficient market. The average weekly turnover for WaMu Common Stock was 9.17%. **Exhibit 3** plots WaMu Common Stock’s trading volume as a fraction of shares outstanding for each week during the Class Period.³⁹ Indeed, the average *daily* volume during the Class Period was 18 million shares. The volume of trading for WaMu Common Stock supports the conclusion that the market for this security was efficient throughout the Class Period.

41. Turnover velocity is an equivalent measure to the first *Cammer* Factor and is easily comparable to the publicly reported NYSE average.⁴⁰ The average annualized turnover

³⁸ Randall S. Thomas and James F. Cotter, “Measuring Securities Market Efficiency in the Regulatory Setting.” *Law and Contemporary Problems* Vol. 63, p 3.

³⁹ For the purposes of this analysis, a “trading week” consists of 5 consecutive trading days (this may not follow the calendar week).

⁴⁰ Turnover velocity is simply the average turnover (the first *Cammer* Factor) expressed in dollar terms:

$$\begin{array}{lcl} \text{Turnover Velocity} & = & \frac{\text{Volume x Price}}{\text{Shares Outstanding x Price}} = \frac{\text{Dollars Traded}}{\text{Dollars Outstanding}} \\ \text{Ratio} & & \end{array}$$

velocity ratio for WaMu Common Stock during the Class Period was 459% compared with the NYSE average of 165%.⁴¹ Thus, WaMu Common Stock had an average annualized turnover velocity nearly three times higher than the average for the NYSE during the Class Period.

42. In short, the relatively high trading volume in WaMu Common Stock throughout the Class Period supports the conclusion that the market for this security was efficient.

C. CAMMER FACTOR 2: ANALYST COVERAGE

43. The *Cammer* decision stated the following related to analyst coverage:

...it would be persuasive to allege a significant number of securities analysts followed and reported on a company's stock during the class period. The existence of such analysts would imply, for example, the [auditor] reports were closely reviewed by investment professionals, who would in turn make buy/sell recommendations to client investors.⁴²

44. Analyst coverage, while not required for market efficiency in my opinion, is important confirmatory evidence of efficiency. Significant analyst coverage implies that there is sufficient interest in a company and its securities, that there is an active market for information regarding the company and its securities, and that information is widely distributed.

45. During the Class Period, there was an abundance of analyst coverage of WaMu. **Exhibit 4** shows that there were at least 425 analyst reports issued during the Class Period by 30 separate equity analysts for WaMu.⁴³ Major firms such as Morgan Stanley, Morningstar, Deutsche Bank, and Credit Suisse issued analyst reports on WaMu. These reports served the

⁴¹ Turnover velocity for the NYSE is from World Federation of Exchanges; <http://www.world-exchanges.org/statistics>. For purposes of this calculation, I weight each annual turnover velocity to reflect the fraction of the year included in the Class Period.

⁴² *Cammer v. Bloom*, Civil Action No. 88-2458, U.S. District Court for the District of New Jersey, April 19, 1989, p 22.

⁴³ This almost certainly understates the total amount of analyst coverage since many analyst reports are not available through third party data providers.

purpose of disseminating publicly available information along with commentary, news, updates, analysis and recommendations of the analysts to investors. In addition, there were reports by credit rating agencies and others that evaluated WaMu's creditworthiness and other publicly-traded securities. The extensive coverage of WaMu by securities analysts supports the conclusion that WaMu Common Stock traded in an efficient market throughout the Class Period.

46. Since 1989 when the *Cammer* decision was rendered, there has been an explosion of alternative methods by which publicly available information about publicly-traded securities is disseminated to investors. For example, since then, through the Internet, 24-hour cable news networks, email, RSS feeds⁴⁴, and other media, the ability of individual and institutional investors to obtain information about publicly-traded securities and the market in general has revolutionized the manner in which investors and investment professionals receive and process information.

47. Moreover, information regarding the market price, the current bid-ask spread, and the ability to trade online is available almost instantaneously via the Internet for anyone with an online brokerage account. Thus, in addition to the substantial analyst coverage of WaMu, there were many other sources of information dissemination. For example, there was substantial public press regarding WaMu. A search for articles classified as related to WaMu by Factiva over the Class Period results in over 7,000 articles. There were 161 SEC filings that are

⁴⁴ RSS is an acronym for Really Simple Syndication or Rich Site Summary. RSS files are formed as XML files and are designed to provide content summaries of news, blogs, forums or website content. The RSS feeds are generally simple headlines and brief descriptions if the user is interested they can click to see additional information. Content viewed in the RSS reader or news aggregator is known as an RSS feed. RSS is becoming increasingly popular since it is a free and easy way to promote a site and its content without the need to advertise or create complicated content sharing partnerships. (<http://www.rss-specifications.com/> and <http://www.rss-specifications.com/what-is-rss.htm>)

available online at EDGAR at no out of pocket cost.⁴⁵ There were numerous other sources of information available throughout the Class Period that I do not attempt to quantify. The degree of news coverage and publicly available information further supports the conclusion that there was substantial supply and demand for information regarding WaMu in the public arena throughout the Class Period.

48. In summary, the number of analyst reports, other investment reports covering WaMu and its other publicly-traded securities, and the substantial public dissemination of news and other information regarding WaMu provides evidence of a robust and active market for information about WaMu and evidence that WaMu Common Stock traded in an efficient market.

D. CAMMER FACTOR 3: MARKET MAKERS

49. The third *Cammer* factor states:

For over the counter markets without volume reporting, the number of market makers is probably the best single criterion. Ten market makers for a security would justify a substantial presumption that the market for the security is an efficient one; five market makers would justify a more modest presumption.⁴⁶

50. In over-the-counter markets, the basic premise that led courts to assume a large number of market makers as an efficiency criteria relates to the notion that market makers are:

[P]resumably knowledgeable about the issuing company and the stocks' supply and demand conditions (i.e., the "order flow"). Therefore, it is believed the larger the number of market makers in a given security, the

⁴⁵ Excludes SEC Form 3, 4 and 5, which relate only to equity ownership by directors, officers, and owners of more than ten percent of a class of the company's equity.

⁴⁶ *Cammer v. Bloom*, Civil Action No. 88-2458, U.S. District Court for the District of New Jersey, April 19, 1989, p 28 (emphasis added).

more information is available about it and the quicker its dissemination in the price.⁴⁷

51. As noted above, *Cammer* states that the number of market makers is relevant to consider the market efficiency of securities traded in an over the counter market with no volume reporting. Throughout the Class Period, WaMu Common Stock traded on the NYSE, rather than over the counter. The NYSE is one of the largest and most liquid security exchanges in the world with billions of shares traded each day. Unlike an over the counter market that relies on decentralized market makers providing liquidity for trading, the NYSE conducts trading on a continuous auction system where an assigned specialist is physically present at all times during open trading.⁴⁸ These “specialists” are required by exchange rules to maintain a “fair and orderly” market and to take the other side of a trade even if it means having to buy or sell from their own accounts.⁴⁹ The specialist system thus provides continuous liquidity for the security. In addition, much of the trading (currently a vast majority) is accomplished by electronically matching orders without the involvement of a specialist at all.⁵⁰

52. In sum, because WaMu Stock trades on the NYSE, the number of “market makers” is not an applicable metric to employ. Instead, the NYSE has a market structure that combines both an auction system and electronic trading and does not rely on decentralized market makers to provide liquidity. In my opinion, the market structure of the NYSE is

⁴⁷ Brad M. Barber, Paul A. Griffin and Baruch Lev, “The Fraud-on-the-Market Theory and the Indicators of Common Stocks’ Efficiency, *The Journal of Corporation Law*, Winter 1994, 19 Iowa J. Corp. L. 285.

⁴⁸ William F. Sharpe, Gordon J. Alexander, Jeffery V. Bailey, “Investments,” Prentice Hall, Fifth Edition, pp 45-53. Frank J. Fabozzi, Franco Modigliani, Frank J. Jones, “Foundations of Financial Markets and Institutions,” Prentice Hall, Fourth Edition, 2010, Chapter 18 – Appendix 1.

⁴⁹ Frank J. Fabozzi, Franco Modigliani, Frank J. Jones, “Foundations of Financial Markets and Institutions,” Prentice Hall, Fourth Edition, 2010, Chapter 18 – Appendix 1.

⁵⁰ Frank J. Fabozzi, Franco Modigliani, Frank J. Jones, “Foundations of Financial Markets and Institutions,” Prentice Hall, Fourth Edition, 2010, Chapter 18 – Appendix 1.

supportive of the conclusion that WaMu Stock traded in an efficient market throughout the Class Period.

E. CAMMER FACTOR 4: SEC FORM S-3 ELIGIBILITY

53. The fourth *Cammer* Factor is SEC Form S-3 Eligibility, which states,

It would be helpful to allege the Company was entitled to file an S-3 Registration Statement in connection with public offerings or, if ineligible, such ineligibility was only because of timing factors rather than because the minimum stock requirements set forth in the instructions to Form S-3 were not met. Again, it is the number of shares traded and value of shares outstanding that involve the facts which imply efficiency.⁵¹

54. Through Form S-3, the SEC allows certain companies that have previously provided sufficiently high level of public information to incorporate prior SEC filings by reference into current filings and not repeat the information, since it is already deemed to be widely publicly available.⁵² Eligibility to file a Form S-3 is confirmatory evidence of efficiency, not a requirement. Interpreted in this way, the standard makes sense as an indicator of efficiency.

55. WaMu was S-3 eligible and, in fact, when registering each of the Preferred Securities at issue in this case WaMu was able to incorporate prior SEC filings by reference.⁵³

⁵¹ *Cammer v. Bloom*, Civil Action No. 88-2458, U.S. District Court for the District of New Jersey, April 19, 1989, p 22.

⁵² To be eligible to issue a Form S-3, among other things a company must be subject to the Securities Exchange Act of 1934 reporting requirements for more than one year. In addition, the company must have filed all documents in a timely manner for the past twelve months and must show that it has not failed to pay dividends or sinking funds nor defaulted on debts or material leases. See www.sec.gov/about/forms/forms-3.pdf.

⁵³ See Washington Mutual, Inc. Depositary Shares Each Representing a 1/40,000th Interest in a Share of Series K Perpetual Non-Cumulative Floating Rate Preferred Stock Prospectus dated September 11, 2006, Washington Mutual, Inc. 7.75% Series R Non-Cumulative Perpetual Convertible Preferred Stock Prospectus dated December 11, 2007, Washington Mutual Inc., SEC Form S-3 dated August 20, 2001, and Washington Mutual Inc., amended SEC Form S-3 dated August 31, 2001.

56. WaMu also filed a Form S-3ASR, which is an automatic shelf registration statement for use by well-known seasoned issuers.⁵⁴ A Form S-3ASR allows a company to register unspecified amounts of different specified types of securities using a single form. WaMu filed Form S-3s throughout the Class Period and met the SEC's standards as a seasoned issuer for which information is already widely distributed. Therefore, WaMu meets this *Cammer* efficiency factor which supports the conclusion that WaMu Common Stock traded in an efficient market.

F. CAMMER FACTOR 5: PRICE REACTION TO NEW INFORMATION

57. The fifth *Cammer* Factor relates to how a security reacts to new information and states:

...one of the most convincing ways to demonstrate [market] efficiency would be to illustrate, over time, a cause and effect relationship between company disclosures and resulting movements in stock price.⁵⁵

58. Establishing a causal connection between new company-specific news events and movements in the market price is convincing evidence of market efficiency. A technique often relied upon by academics, both inside and outside of the context of litigation, to establish such a causal connection is called the "event study." An event study is a well-accepted statistical method utilized to isolate the impact of information on market prices.⁵⁶ Indeed, academics have used event studies as one tool for evaluating the efficient market hypothesis in the first place. Event studies have now been used for over 30 years and appeared in hundreds if not thousands

⁵⁴ Washington Mutual, Inc. SEC Form S-3ASR dated May 5, 2008.

⁵⁵ *Cammer v. Bloom*, Civil Action No. 88-2458, U.S. District Court for the District of New Jersey, April 19, 1989, p 27.

⁵⁶ David I. Tabak and Frederick C. Dunbar, "Materiality and Magnitude: Event Studies in the Courtroom," Ch. 19, *Litigation Services Handbook, The Role of the Financial Expert*, Third Edition, 2001.

of academic articles as scientific evidence in evaluating how new information affects securities prices.⁵⁷

59. Based on the event study I have performed, I find that there is a clear cause and effect relationship between new material public information about WaMu and the market price of its common stock. For example, after the market closed on October 17, 2007, WaMu substantially increased its estimated loan losses.⁵⁸ In response, a number of securities analysts downgraded the stock and warned that the losses were substantial enough that they may require WaMu to cut its payment of dividends. The following day, the market price of WaMu Common Stock fell by 7.7%. As detailed below, I performed an event study that shows this decline is too large to be explained by random price movement after controlling for broad market and industry effects.

60. Similarly, after the market closed on December 10, 2007 WaMu announced, among other things, that it was raising additional capital and lowering its dividend in response to “unprecedented challenges” in the mortgage market.⁵⁹ The credit rating agencies also downgraded WaMu’s credit rating. On this same day, WaMu Common Stock price fell over 12%. The event study I performed demonstrates that this stock price movement is statistically significant; in other words, random price movement cannot explain such a reaction.

⁵⁷ John Binder, “The Event Study Methodology Since 1969,” *Review of Quantitative Finance and Accounting* Vol. 11, 1998, pp 111-137.

⁵⁸ “WaMu Reports Third Quarter Earnings Per Share of \$0.23 ; Declares Cash Dividend of 56 Cents,” Business Wire, 16:05, 10/17/2007; “Q3 2007 Washington Mutual Earnings Conference Call – Final,” Voxant FD (FAIR DISCLOSURE) WIRE, 10/17/2007. Complaint at ¶ 557.

⁵⁹ “WaMu to Raise \$2.5 Billion in Additional Capital, Reduce Dividend, Resize Home Loans Business and Cut Expenses to Fortify Capital Base ; * Expects Net Loss for Fourth Quarter 2007 With Non-cash Writedown of Home Loans Segment Goodwill * Non-cash Writedown Will Not Affect Key Capital Ratios or Liquidity,” Business Wire, 16:04, 12/10/2007. Complaint at ¶ 575.

61. I identified dozens of events during the Class Period where new company-specific news resulted in statistically significant price movements during the Class Period. Additionally, there were few (no more than statistically expected) significant price movements for which I could find no material news. This implies that there is a scientifically demonstrable cause and effect relationship between newly available WaMu specific news and changes in the price of WaMu Common Stock during the Class Period and provides strong scientific evidence that WaMu Common Stock traded in an efficient market.

62. The remainder of this Section provides a description of relevant event study methodologies generally and the particular methodology I applied for purposes of this report. I note that the particular event study model I adopt here is designed for the purpose of evaluating the efficiency of WaMu stock throughout the Class Period as a whole using a consistent methodology across all days. It may or may not be the same model that should be applied for different purposes, including to evaluate the impact of certain news events in the context of loss causation or damages. For example, there may be specific days on which there is WaMu-specific news related to Plaintiffs' allegations that affects the price of WaMu and affects other companies in their industry. In such cases, it may be inappropriate to treat a peer index as an independent control (a concept which is discussed in more detail below) because the peer index itself may be affected by the alleged corrective disclosure. I have not been asked to perform such an analysis at this time, and such an analysis is not necessary to determine a cause-and-effect relationship for purposes of evaluating market efficiency.

63. An event study is a technique used to measure the effect of new information on the market prices of a company's publicly traded securities. New information may include, for example, company press releases, earnings reports, SEC filings, news reports or analyst reports.

An event study begins by specifying a model of what price movements are “expected” based on outside market factors and then testing whether the deviation from expected price movements are sufficiently large that simple random movement can be rejected as the cause.

64. A well-accepted method for performing an event study is to estimate a regression model over some period of time to observe the typical relationship between the market price of the relevant security and broad market factors. I have performed such an analysis where I evaluate the relationship between WaMu Common Stock’s daily returns (percentage change in price) controlling for a broad market index (the “S&P 500”) and an index of companies in WaMu’s industry (the “Peer Index”).⁶⁰

65. I implement the event study using a rolling regression model because there is strong evidence that the relationship between WaMu Common Stock returns and the market indices changed over time and that volatility did not remain constant over the Class Period. For each trading day I construct a regression using data from the past 120 trading days. This ensures that the relationship between WaMu Common Stock and the market factors updates over time according to the data observed over the most recent 120 trading day (roughly six month) period. Use of a rolling model to account for changing volatility and changing relationships among market indices is observed in the peer-reviewed literature.⁶¹

⁶⁰ I included a company in the industry index if they were either (1) a member of the KBW BKX index (which is a bank index published by a third party) in 2006 or 2007 or (2) were among the top 10 mortgage originators during 2007. The Peer Index includes AmSouth Bancorp, Bank of America, BB&T Corp, The Bank of New York Mellon Corp, Citigroup, Commerce Bancorp, Compass Bancshares, Comerica, Capital One Financial Corp, Fifth Third Bancorp, Golden West Financial Corp, Huntington Bancshares Inc., JPMorgan Chase and Co., KeyCorp, Mellon Financial, Marshall & Isley Corp, M & T Bank Corp, National City Corp, North Fork Bancorporation Inc., Northern Trust Corp, People’s United Financial Inc., The PNC Financial Services Group, Regions Financial Corp, Suntrust Banks Inc., State Street Corp, US Bancorp, Wachovia Corp, Wells Fargo & Co., Zions Bancorporation, Countrywide Financial, and IndyMac. The peer index is reweighted on a daily basis.

⁶¹ Phillip A. Braun, Daniel B. Nelson, Alain M. Sunier, “Good News, Bad News Volatility, and Betas,” *Journal of Finance* 50, 1995, p 1597.

66. The models indicate that there is a positive correlation between WaMu Common Stock and the control variables. For example, looking at the regression for the 120 days prior to June 9, 2006, the estimated coefficient for the S&P 500 is .913 which means that a 1% rise in the S&P 500 predicts slightly less than a 1% increase (.913%) in WaMu's return. The estimated coefficient for the Peer Index is .598, meaning that the expected return for WaMu is about a .6% increase for every 1% increase in the Peer Index over and above the return of the S&P 500.

Exhibit 5 shows the estimated coefficients for the WaMu Common Stock rolling regression models for each day during the Class Period.

67. Another important statistic from the regression is the Standard Deviation of the Errors, which measures the degree of imprecision in the predictions from the model. Using our example regression on WaMu Common Stock for June 9, 2006, the model predicts that absent any new firm-specific information the price of WaMu Stock would decline by .337%. Because of the inherent randomness observed in stock price returns, we do not expect the model to predict returns exactly. In this example we observe an actual return of -.264%. Thus, the "abnormal return" is .0731% (the actual return of -.264% minus the predicted return of -.337%). We then rely on the standard deviation of the errors from the regression model (0.8%) to tell us if this abnormal return of .0731% is sufficiently large that we reject random movement as the explanation.

68. A "t-statistic" measures the number of standard deviations the actual observation is from the prediction. For the example date, an abnormal return of .0731% represents 0.091 standard deviations, or a t-statistic of 0.091 (.0731% abnormal return divided by the standard deviation of the errors of .8%). Probability theory tells us that based on randomness alone, the abnormal return should only have a t-statistic of greater than 1.96 standard deviations 5% of the

time.⁶² Restating this point another way, we have 95% confidence that the actual return will fall within 1.96 standard deviations of the predicted return unless there is some non-random explanation. Since our example only has a t-statistic of 0.091, we would say that the abnormal return is statistically insignificant and we could not reject randomness as the cause. However, if on a particular day we observe an abnormal return that has a t-statistic of greater than 1.96 (“statistically significant”) and we observe new firm-specific information, we reject randomness as the explanation and infer that the new information is the cause of the stock price movement. **Exhibit 5** also shows how the standard deviation of the errors changes over time based on the rolling regression model.

69. **Exhibit 6** presents the abnormal returns and the threshold for statistical significance for each day during the Class Period. Statistically significant abnormal returns occur when the abnormal return crosses the significance threshold.

70. My analysis of the firm-specific information for WaMu securities included news articles from Factiva, analyst reports issued by equity research firms covering WaMu, credit reports issued by the credit rating agencies, and SEC filings issued by WaMu. For each day during the Class Period, I searched for news that would potentially cause a material change in the value of WaMu Stock and Preferred Stock. In total, there were thousands of articles, hundreds of analyst reports and credit reports, and dozens of SEC filings that I considered.

71. WaMu Common Stock experienced a total of 68 trading days with statistically significant abnormal returns out of the 694 total trading days during the Class Period. On 54 of these trading days there is identifiable company-specific news or analyst coverage. That leaves

⁶² David I. Tabak and Frederick C. Dunbar, “Materiality and Magnitude: Event Studies in the Courtroom,” Ch. 19, *Litigation Services Handbook, The Role of the Financial Expert*, Third Edition, 2001.

only 14 days with “unexplained” significant price movements. Because we use a 95% confidence interval for statistical significance, we would expect by random chance alone to observe 5% of the days without news to have statistically significant price movements. Indeed, we only observe these unexplained movements on 14 out of 416 days, or 3.4%. **Appendix C** identifies the days on which I observe potentially material news and provides a summary of that news.⁶³

72. Based on the event study I have performed, I find that there is a clear cause and effect relationship between new material public information about WaMu and the market price of its common stock.

G. ADDITIONAL FACTOR 1: MARKET CAPITALIZATION

73. Thomas and Cotter find that firms with a larger market capitalization tend to have “larger institutional ownership and tend to be listed on the New York Stock Exchange with a greater analyst following.”⁶⁴ Therefore, market capitalization is another quantifiable measure that is likely correlated with efficiency.

74. WaMu Common Stock had higher market capitalization than the vast majority of NYSE stocks, thus suggesting this factor is supportive of efficiency. During the Class Period, prior to TPG’s investment in April 2008, WaMu had between 869 million and 998 million shares outstanding. After the investment, there were 1.71 billion shares outstanding. Insiders, at all times held less than 0.52% of the outstanding shares. WaMu’s public float (shares outstanding

⁶³ Appendix C is not meant to be a summary of all potentially material news, nor does it represent the extent of the information considered on each day. I provide Appendix C simply as a reference to which days had news and a concise summary of at least a portion of the news from each day.

⁶⁴ Randall S. Thomas and James F. Cotter, “Measuring Securities Market Efficiency in the Regulatory Setting.” *Law and Contemporary Problems* Vol. 63, p 9.

less insider holdings) ranged from 865 million to 994 million shares prior to the TPG investment and 1.05 billion to 1.70 billion after.⁶⁵

75. The market capitalization for WaMu Common Stock averaged over \$32 billion during the Class Period. **Exhibit 7** shows that WaMu Common Stock's market capitalization fell within the 89th to 97th percentile of the combined NYSE and NASDAQ markets during the Class Period depending on which year is considered.⁶⁶ In other words, at year-end 2005-2007 and mid-year 2008, WaMu Common Stock had a higher market capitalization than at least 89% of the firms on the combined NYSE and NASDAQ.

76. Given that WaMu Common Stock's market capitalization is consistently large relative to other publicly traded companies, this factor is supportive of market efficiency for WaMu Stock.

H. ADDITIONAL FACTOR 2: THE BID-ASK SPREAD

77. Bid-ask spread is an important indicator of the degree to which a market is developed. The bid-ask spread represents a measure of the cost to transact in a market. Narrow bid-ask spreads indicate less uncertainty regarding valuation and that reasonably sized trades will not substantially impact the market price. Wider bid-ask spreads indicate greater liquidity costs and less ability to trade without moving the market price. In addition, the wider the bid-ask spread, the more costly it is to arbitrage away small inefficiencies. Thus, the narrower the bid-ask spread, the greater indication of an efficient market.

⁶⁵ The term "float" can also mean shares outstanding minus insider holdings *plus short interest*. For ease of exposition, I am not including the short interest in what I call the "float".

⁶⁶ The market capitalization of all the companies that were traded in the NYSE and the NASDAQ as of December 30, 2005, December 29, 2006, December 31, 2007 and June 20, 2008 was acquired from Bloomberg.

78. I analyzed bid-ask spreads for WaMu Common Stock and other publicly traded stocks in May 2006, May 2007, and June 2008.⁶⁷ During May 2006, the time weighted average bid-ask spread for WaMu Common Stock was 0.044%, this ranked WaMu 3rd among a randomly selected group of 100 other NYSE and NASDAQ stocks during this same time.⁶⁸ The May 2007 data yield similar findings. By June 2008, WaMu's price had fallen substantially and its bid-ask spread widened as a percentage of price to 0.138%.⁶⁹ WaMu still ranked 43rd in bid-ask spread among a randomly selected set of companies in June 2008, meaning that 57% of the randomly selected companies in June 2008 had higher bid-ask spread. Thus, even with this widening of the bid-ask spread in mid-2008, WaMu's bid-ask spread in June 2008 still supports a finding of efficiency. Accordingly, this analysis suggests WaMu Common Stock's bid-ask spread compares favorably with other exchange traded stocks and further supports a conclusion of market efficiency.

I. ADDITIONAL FACTOR 3: INSTITUTIONAL OWNERSHIP

79. Institutional investors are considered to be sophisticated, well-informed investors with access to most publicly available information for the stocks that they own. These investors include mutual funds, pension funds, investment banks and other types of large financial

⁶⁷ I randomly selected a month (May) and then analyzed that month in both 2006 and 2007. I also included June 2008 because it was the last full month in the Class Period. Quote data for WaMu and other publicly traded stocks was obtained from the NYSE TAQ database. See www.nyxdata.com.

⁶⁸ The average bid-ask spread was calculated by taking a time-weighted average of the spread during trading hours on the primary exchange of each security. Spread is calculated as the difference between the bid price and ask price divided by the midpoint of the bid-ask spread. I calculated the National Best Bid and Offer using the data filtering procedures described in Roger D. Huang, Hans R. Stall, "Dealer versus auction markets: A paired comparison of execution costs on NASDAQ and the NYSE," *Journal of Financial Economics* Vol. 41, 1996, pp 313-357.

⁶⁹ Research shows that stocks with lower prices tend to have higher spreads. See Vipin Agrawal, Meeta Kothare, Ramesh K.S. Rao, and Pavan Wadhwa, "Bid-ask spreads, informed investors, and the firm's financial condition" *The Quarterly Review of Economics and Finance* Vol. 44, 2004, pp 58-76.

institutions that have substantial resources to analyze the securities they purchase for their portfolios. Most institutions that hold over \$100 million in assets are required to report their equity holdings on a quarterly basis on SEC Form 13F.⁷⁰ As **Exhibit 8** shows, these large institutions reported owning an overwhelming majority of WaMu Common Stock during the Class Period. From the quarter end of December 31, 2005 to June 30, 2008, institutional holdings of WaMu Stock ranged from 80% to 97% of the shares outstanding according to Capital IQ.⁷¹ This high level of institutional ownership of WaMu Common Stock during the Class Period indicates that the market price was reflective of active trading by extremely sophisticated and knowledgeable investors and supports a conclusion of market efficiency.

J. ADDITIONAL FACTOR 4: AUTOCORRELATION

80. If previous price movements of a security have the ability to predict future price movements, then it is said to be “autocorrelated.” Autocorrelation is relevant to efficiency because if the autocorrelation is persistent and sufficiently large that a trader could profit from taking advantage of the autocorrelation, it suggests market inefficiency because past price movements are not fully reflected in the current price.

81. Autocorrelation may occur from time to time for random reasons or due to the pattern of firm-specific news. Efficiency would only be violated, however, if the autocorrelation were large enough and persistent enough that a trader could consistently earn riskless profits over time.⁷²

⁷⁰ See <http://www.sec.gov/about/forms/form13f.pdf>

⁷¹ These figures are slightly lower (69% to 94%) if shares outstanding are adjusted for insider holdings and short interest.

⁷² Doron Avramov, Tarun Chordia, and Amit Goyal, “Liquidity and Autocorrelations in Individual Stock Returns,” *The Journal of Finance* Vol. LXI No. 5, 2006, pp 2367-8. Michael C. Jensen, “Some

82. A well-accepted methodology to test for the existence of autocorrelation is to run a regression analysis that tests whether, on average, the abnormal return from the previous day has a statistically significant effect on the abnormal return today.⁷³ If the previous day's abnormal return has no statistically significant predictive power, then there is no evidence of autocorrelation. Even if the regression shows a significant result for a certain period, then one must ask whether the effect is persistently significant and large enough to suggest a predictable arbitrage opportunity in the next period.

83. **Exhibit 9** displays the autocorrelation coefficient during each calendar quarter for WaMu Common Stock using the abnormal returns from the event study model described above.⁷⁴ The coefficients fluctuate between positive and negative and only one period (Q2 2008) shows significant autocorrelation. This data is inconsistent with the notion that an investor could consistently predict abnormal movements and earn arbitrage profits. Therefore, this factor also supports the conclusion that WaMu Common Stock traded in an efficient market throughout the Class Period.

Anomalous Evidence Regarding Market Efficiency,” *Journal of Financial Economics* Vol. 6 Nos. 2/3, 1978, pp 95-101.

⁷³ William H. Greene, “Econometric Analysis,” Prentice Hall, Sixth Edition, 2008, Chapter 19, pg. 644.

⁷⁴ For purposes of analyzing autocorrelation, it is important to exclude observations from the analysis where there is company-specific news on the day of the abnormal return *and* company-specific news associated with the previous day. Otherwise, the measurement of autocorrelation will be biased by whether the consecutive news events moved the stock in the same or the opposite direction. I eliminate such observations based on the list of news events in Appendix C.

VIII. APPLICATION OF EFFICIENCY FACTORS TO WAMU PREFERRED SECURITIES

84. Now I turn to the preferred securities. Preferred securities are a hybrid between equity and debt.⁷⁵ They often receive a coupon payment like a bond, but may have a very long or perpetual maturity. They typically rank junior to debt, but senior to common equity and often receive preferential treatment when it comes to dividends.⁷⁶ The terms associated with preferred stock can vary substantially from security to security as they do with the WaMu Preferred Securities.

85. For example, Series K Preferred Stock has a floating rate (3 month LIBOR + 0.70%) dividend. The security can be redeemed at the option of the company and is not convertible to common stock.⁷⁷ The Series R Preferred Stock has a fixed dividend of 7.75%, is convertible to common at the option of the holder, and has other mandatory conversion features.⁷⁸ Finally, the Capital Trust Unit Preferred Stock is actually two separate securities bundled together, and is essentially an equity interest in a trust that holds certain WaMu debentures.⁷⁹ Therefore, the Preferred Securities are not homogeneous and their market values are not expected to be perfectly correlated. Moreover, since the Preferred Securities rank senior to the common stock, they will not necessarily react to new information in the same way as the common stock (especially while there is a substantial equity cushion).

⁷⁵ For example, see the discussion in William F. Sharpe, Gordon J. Alexander, Jeffery V. Bailey, “Investments,” Prentice Hall, Fifth Edition, pages 420.

⁷⁶ *Id.*

⁷⁷ WaMu Inc. Series K Preferred Stock Prospectus Supplement filed September 11, 2006.

⁷⁸ WaMu Inc. Series R Preferred Stock Prospectus Supplement filed December 11, 2006.

⁷⁹ Washington Mutual, Inc. Trust Preferred Income Equity Redeemable Securities (PIERS) Units, Offering Memorandum dated April 25, 2001.

86. Based on my evaluation of the efficiency factors for WaMu Preferred Securities, it is my opinion that these securities also traded in an efficient market. WaMu's Preferred Securities had sufficient trading to suggest an efficient market. In fact, while they traded less than WaMu Common Stock (like most securities on the NYSE and NASDAQ), their trading was not uncommonly low relative to all stocks traded on the NYSE and NASDAQ during the Class Period. Moreover, there was a clear cause and effect relationship between new information and price changes, significant analyst coverage. The other factors are also generally supportive of efficiency.

87. Before proceeding with the formal analysis of each efficiency factor, I briefly describe each of the relevant WaMu Preferred Securities.

88. The Capital Trust Unit Preferred securities were offered before the Class Period. According to the Offering Memorandum dated April 25, 2001, each unit consisted of:

a preferred security issued by Washington Mutual Capital Trust 2001 (the "Trust"), having a stated liquidation amount of \$50, representing an undivided beneficial interest in the assets of the Trust, which assets will consist solely of subordinated debentures issued by Washington Mutual, Inc. ("Washington Mutual") each of which has a principal amount at maturity of \$50, a stated maturity of July 1, 2041 and, at any time, an accreted value as described in this offering memorandum; and

a warrant to purchase at any time prior to the close of business on May 3, 2041, .8054 shares of common stock of Washington Mutual. The exercise price of each warrant will initially be \$32.33 and will accrete on a daily basis as described in this offering memorandum to \$50 on the expiration date.⁸⁰

The Capital Trust Unit Preferred Stock was traded over the counter (OTC).

89. During the Class Period, in September 2006, WaMu offered 20 million depositary shares, each representing a 1/40,000th ownership interest in a share of Series K Perpetual Non-

⁸⁰ Washington Mutual, Inc. Trust Preferred Income Equity Redeemable Securities (PIERS) Units, Offering Memorandum dated April 25, 2001.

Cumulative Floating Rate Preferred Stock, for a maximum aggregate offering price of \$500 million.⁸¹ Dividends on the Series K Preferred Stock were payable quarterly in arrears. WaMu could redeem the Series K Preferred Stock on and after the dividend payment date in September, 2011.⁸² The Series K Preferred Stock was listed on the New York Stock Exchange under the symbol “WM PrK”. Shares were issued and began trading mid-September 2006.

90. Also during the Class Period, WaMu offered 3 million shares of Series R Preferred Stock shares to the public with a maximum offering amount of \$3 billion in December 2007.⁸³ The Prospectus Supplement dated December 11, 2007 indicates that dividends on the Series R Preferred Stock were payable quarterly in arrears and could be converted at any time by the option holder into shares of WaMu common stock. The Series R Preferred Stock was listed on the New York Stock Exchange under the symbol “WM PrR.”⁸⁴ Shares were issued and began trading mid-December 2007.

91. **Exhibit 10** provides certain supplemental details regarding each of the Preferred Securities. **Exhibit 11** shows the value of a \$100 invested in each of the Preferred Securities through the Class Period and beyond. **Exhibit 12** provides a summary of the efficiency tests for each of the Preferred Securities.

A. CAMMER FACTOR 1: AVERAGE WEEKLY TRADING VOLUME

92. Recall that the first *Cammer* factor is the average weekly trading volume of a security. The daily trading volumes provide a first indication that the markets for these securities

⁸¹ WaMu Inc. Series K Preferred Stock Prospectus Supplement filed September 11, 2006.

⁸² *Id.*

⁸³ WaMu Inc. Series R Preferred Stock Prospectus Supplement filed December 11, 2006.

⁸⁴ *Id.*

had a good deal of liquidity. The average weekly trading volume for the Capital Trust Preferred Unit was 778 thousand units (median=531 thousand). For the Series K Preferred, the average weekly trading volume was 679 thousand shares (median=236 thousand), and for the Series R Preferred the weekly average trading volume was 379 thousand shares (median=334 thousand).

93. **Exhibits 13, 14 and 15** plot WaMu Preferred Securities' weekly trading volume as a fraction of shares outstanding and public float for each week during the Class Period. Each of the Preferred Securities had average weekly turnover that exceeded 3% of the shares outstanding, thus indicating strong evidence of an efficient market for WaMu Preferred Securities.

94. **Exhibit 16** compares the average annualized turnover velocity (the *Cammer* Factor expressed in dollar terms) of each of the three Preferred Securities to the same measure for the NYSE over the Class Period. WaMu Preferred Securities are at least comparable to the average stock traded on the NYSE during this time period. The Capital Trust Preferred and Series R Preferred Securities have an average annualized turnover velocity greater than the average NYSE stock, and the Series K Preferred has a turnover velocity near the NYSE average, just 13% lower.

95. In short, the trading volumes in WaMu Preferred Securities are either greater than or comparable to all stocks on the NYSE. The relatively high trading volume in WaMu Preferred Securities throughout the Class Period supports the conclusion that the markets for these securities were efficient.

B. CAMMER FACTOR 2: ANALYST COVERAGE

96. Recall that **Exhibit 4** listed an abundance of analyst reports covering WaMu Common Stock during the Class Period. In addition to the hundreds of reports on WaMu Stock, there were 96 reports issued by the major credit rating agencies such as S&P, Moody's and Fitch concerning WaMu. There were 19 credit rating agency reports that specifically address WaMu Preferred securities, most of which covered the Capital Trust Preferred Unit. Because preferred stocks generally are senior to common stock but junior to bonds, reports on bonds from the credit agencies as well as the reports regarding common stock provide valuable information in assessing an investment in the Preferred Securities.

97. In summary, the breadth of analysts covering WaMu, the quantity of analyst reports, and the number of credit agency reports issued both before and during the Class Period indicate that there was an active market for information about WaMu generally and WaMu Preferred Securities specifically. This level of analyst coverage further suggests that WaMu Preferred Securities traded in efficient markets.

C. CAMMER FACTOR 3: MARKET MAKERS

98. *Cammer* alludes to this factor as relevant for an over the counter market with no volume reporting. Similarly as for the WaMu Common Stock, the Series K and Series R Preferred Stocks are not traded over-the-counter, rather each traded on the NYSE and had continuous volume reporting. As discussed previously, in my opinion, the market structure of the NYSE is supportive of the conclusion that WaMu Series R and Series K securities traded in efficient markets.

99. With respect to market makers for the Capital Trust Unit Preferred Stock, I have reviewed historical daily Market Maker Price Movement Reports made available by the OTC Bulletin Board.⁸⁵ These reports detail the all of the market makers updates to price quotes and quantities for this security. Based on my review, I have found 24 brokers with a substantial number of quotes (greater than 50) for this security over the Class Period. The high number of market makers that participated in the market for WaMu Capital Trust Unit Preferred Stock supports the conclusion that the market for this security was efficient during the Class Period.

D. CAMMER FACTOR 4: SEC FORM S-3 ELIGIBILITY

100. As detailed above, WaMu complied with all the requirements for a company to be S-3 eligible and consistently filed Form S-3 for additional securities offerings, including a Form S-3 filed on August 20, 2001 and an amendment on August 31, 2001 for the issuance of Capital Trust Unit Preferred Stock. WaMu meets the standard of Form S-3 eligibility which supports the conclusion that the WaMu Preferred Securities traded in an efficient market.

E. CAMMER FACTOR 5: PRICE REACTION TO NEW INFORMATION

101. I also found a strong cause and effect relationship between new firm-specific news and movements in the Preferred Securities. I employed the same event study methodology described in Section VII, with exception that I include a preferred shares index as

⁸⁵ According to the OTC Bulletin Board's (OTCBB) website, "OTCBB is a regulated quotation service that displays real-time quotes, last-sale prices, and volume information in over-the-counter (OTC) equity securities. An OTC equity security generally is any equity that is not listed or traded on NASDAQ or a national securities exchange. OTCBB securities include national, regional, and foreign equity issues, warrants, units, American Depositary Receipts (ADRs), and Direct Participation Programs (DPPs)." <https://www.otcbb.com/aboutOTCBB/overview.stm#abouthistory>.

an additional control.⁸⁶ As displayed for WaMu Common Stock, **Exhibits 17- 19** show the estimated coefficients and standard deviation of the errors for each of the WaMu Preferred Securities rolling regression models for each day during the Class Period. Also, **Exhibits 20 – 22** display the abnormal returns and the threshold for statistical significance for each day during the Class Period for each Preferred Security.

102. For example, in reaction to the news on October 18th, 2007 that WaMu substantially increased their estimated loan losses, the Capital Trust Preferred Share price fell by nearly 5%, which was statistically significant. For the Series K Preferred Stock, the return was -5.5%, the abnormal return was -5.4% and the t-statistic was -4.3. Series R Preferred Stock had not yet been issued.

103. On March 7, 2008 it was revealed that WaMu had approached private-equity firms indicating a need for capital. WaMu Capital Trust Preferred Stock fell almost 6% with an abnormal return of -5.8%. The abnormal return was statistically significant as the t-statistic was -2.1. For Series K, the return for that day was a decline of over 5% with an abnormal return of -4.9% and a t-statistic was -2.4. The Series R Preferred Stock had an abnormal return of -6.6%, which is not significant at the 95% threshold, but it would be at the 90% threshold.

104. Finally, on April 7, 2008 WaMu announced that it had obtained outside financing. All three Preferred Securities rose in price in response. The response was not simply predicted by the model but can be attributed to the news. The abnormal return for the Capital Trust Preferred was over 10% (t-stat=3.39), for Series K was over 6.5% (t-stat=2.58), and for Series R was over 22% (t-stat=6.26).

⁸⁶ The index is the S&P Preferred Stock Index. The index is an investable benchmark representing the U.S. preferred stock market. The index includes all preferred stocks issued by U.S. corporations & those trading in major exchanges, subject to related criteria. (Source CME).

105. In total, I identified 41, 29, and 7 statistically significant days associated with new firm-specific news for the Capital Trust Unit Preferred Stock, Series K Preferred Stock, and Series R Preferred Stock respectively. Moreover, I find relatively few significant days with no associated news (recall that we expect 5% due to randomness).

106. For the Capital Preferred Trust Unit I find that unexplained price movements occur on 19 out of 412 total trading days without news, or 4.6%. For Series K, these unexplained price movements occur on 16 out of 219 trading days with no news (7.3%), and there are no unexplained price movements on any of the 57 trading days with no news for Series R.

107. Taken together, the event study demonstrates a strong cause and effect relationship between newly available public information and changes in the price of WaMu Preferred Securities. In my opinion, the swift and substantial reaction to incorporate unexpected news into the securities' prices, as reflected in the event study, is supportive of an efficiency finding.

F. ADDITIONAL FACTOR 1: MARKET CAPITALIZATION

108. In many respects, it makes sense to consider the market capitalization of WaMu as a whole for the Preferred Securities because the overall size of WaMu affects things such as the amount of news and analyst coverage. In that case, the opinion I reached in the previous section is applicable to the Preferred Securities.

109. Even if I only consider the market capitalization of the Preferred Securities individually, it provides support that the securities traded in an efficient market. **Exhibit 23** shows a calculation of the market capitalization at several points in time during the Class Period

for each Preferred Security. The table below summarizes how the market capitalization for the three WaMu Preferred Securities compares against the size of other *common stocks* on the NYSE and NASDAQ.⁸⁷

Preferred Security	Percentile Rank in NYSE&NASDAQ 2005-2008 (highest rank associated with largest market cap, e.g. 100th percentile would be largest company)
Capital Trust Preferred Unit	54 th to 66 th
Series K Preferred Unit	37 th to 46 th
Series R Preferred Unit	72 nd to 76 th

110. For example, the Capital Trust Preferred Unit was, at least, in the 54th percentile of all *stocks* on the NYSE and NASDAQ. Thus, it had a greater market capitalization than at least 54% of other publicly traded stocks on those two exchanges. Even the Series K Preferred Stock, which had the smallest market capitalization of the three securities, was larger than at least 37% of stocks traded on the NYSE and NASDAQ.

111. I am also unaware of any insider holdings of Preferred Securities, therefore the float is equal to the amount outstanding shown on **Exhibit 23**.

112. Given that WaMu's Preferred Securities' market capitalizations are comparable to the market capitalizations of common stocks traded on the NYSE, this factor is supportive of market efficiency for all of the securities.

⁸⁷ I calculated market capitalization by multiplying the closing prices with shares outstanding at year-end 2005-2007 and mid-year 2008.

G. ADDITIONAL FACTOR 2: THE BID-ASK SPREAD

113. As with the Common Stock, I analyzed bid-ask spreads for WaMu Preferred Securities and compared them to a random sample of other publicly traded stocks in May 2006, May 2007, and June 2008.⁸⁸ The Preferred Securities' bid-ask spreads tend toward the last third and fourth quartiles when compared to the NYSE and NASDAQ stocks. Thus, while we cannot say that the Preferred Securities compare favorably to the average stock, their bid-ask spreads are lower than the bid-ask spread for many common stocks. The table below shows the bid ask spread by month and how WaMu Preferred Securities rank.

Security	Time Period	WaMu Spread	WaMu Rank
Capital Trust Preferred Unit	May 2006	1.826%	91
	May 2007	1.016%	88
	June 2008	2.467%	86
Preferred Series K	May 2007	0.538%	79
	June 2008	1.386%	85
Preferred Series R	June 2008	0.334%	64

Sources: TICK Data

114. For example, in May 2007, the Capital Trust Unit Preferred Stock had a bid-ask spread of 1.016%, which ranked in the 88th percentile of bid-ask spreads within the 100 company random sample. This implies that 88% of common stocks have lower bid ask spreads and 12% have higher bid ask spreads. The comparison is more favorable for Preferred Series R, which has a bid ask spread in June 2008 of 0.334%, which ranks in the 64th percentile, thus indicating that 36% of common stocks in our random sample from the NYSE and NASDAQ have higher spreads. Taken together with other factors, especially volume and cause and effect, I find that the bid-ask spread analysis is supportive of an efficiency finding.

⁸⁸ Quote data for WaMu and other publicly traded stocks was obtained from the Tick Data. See www.tickdata.com. I use the June 2008 data only for comparisons regarding the Series K and R Preferred Stocks.

H. ADDITIONAL FACTOR 3: INSTITUTIONAL OWNERSHIP

115. To date, I have not found data for institutional holdings of Preferred Securities. A review of SEC Section 13(f) securities lists indicates that the Preferred Securities were not included.

I. ADDITIONAL FACTOR 4: AUTOCORRELATION

116. As with the common stock, I performed a regression analysis for each Preferred Security during the Class Period that tests whether, on average, the abnormal return from the previous day has a statistically significant effect on the abnormal return today.⁸⁹ If the previous day's abnormal return has no statistically significant predictive power, then there is no evidence of autocorrelation. Even if the regression shows a significant result for a certain period, then one must ask whether the effect is persistently significant and large enough to suggest a predictable arbitrage opportunity in the next period. If no such arbitrage opportunity exists, then there is insufficient evidence to conclude the market is inefficient.

117. **Exhibit 24** shows the quarterly autocorrelation coefficients.⁹⁰ Series R traded only for the last two quarters and the autocorrelation was not significant as a whole or consistent between the two quarters. It shows that there is no consistent autocorrelation for the Series K Preferred Stock. There is some evidence of negative autocorrelation in the first few quarters, but it abruptly disappears and there is a positive coefficient in Q3 2007. No quarter after that is

⁸⁹ William H. Greene, "Econometric Analysis," Prentice Hall, Sixth Edition, 2008, Chapter 19, pg. 644.

⁹⁰ Consistent with my procedure for analyzing WaMu Common Stock, for purposes of analyzing autocorrelation, it is important to exclude observations from the analysis where there is company-specific news on the day of the abnormal return *and* company-specific news associated with the previous day. Otherwise, the measurement of autocorrelation will be biased by whether the consecutive news events moved the stock in the same or the opposite direction. I eliminate such observations based on the list of news events in Appendix C.

statistically significant. Since there is no consistent pattern to the autocorrelation, it suggests there was no arbitrage opportunity and the analysis is supportive of an efficient market.

118. For the Capital Trust Unit Preferred, the autocorrelation is zero in the first quarter, but then negative in every period and significant at the 95% level in five of the next 11 quarters. Although the negative autocorrelation appears to diminish over the final year, the autocorrelation after the first quarter is in a consistent direction over time. However, **Exhibit 25** demonstrates that the degree of autocorrelation is so small relative to the bid-ask spread that it is insufficient to generate an arbitrage trading strategy. To reach this conclusion, I take the coefficient on the prior day abnormal return from the regression (which measures the fraction of the current day's abnormal price return that is predicted to reverse tomorrow) and multiply it by the average absolute return for that period. This provides a measure of the average daily profit that could be earned by observing yesterday's price movement. I then compare that to one-half of the average bid-ask spread – which reflects one of the transaction costs an investor would face in executing a trade. **Exhibit 25** shows that the trading cost (as measured by one half of the bid-ask spread) is substantially higher than the average daily profit opportunity in every single period. Therefore, the measured autocorrelation is insufficient to present a consistent arbitrage opportunity and is therefore not evidence of an inefficient market.

119. In sum, the autocorrelation analysis supports the conclusion that WaMu Preferred Securities traded in efficient markets.

IX. LOSS CAUSATION

120. As stated in a previous declaration I filed in this matter, I have formed the opinion that Plaintiffs' Complaint provides a clear and economically coherent theory of loss causation.

It provides an economically logical basis of how and why the alleged fraud would result in inflated prices for WaMu's securities and specific, logical, and economically coherent theory of causal linkage to information disclosures that caused declines in price – and thus losses for WaMu investors. I reached this opinion by noting that if Plaintiffs are able to prove, as they clearly allege in the Complaint, that WaMu withheld material information from the market regarding its appraisal practices, underwriting standards and the credit quality of its customers, then there is a coherent economic and logical link between those facts and later price declines because the foreseeable consequence of lending money to less creditworthy individuals and/or on a less secure basis than disclosed to the market is, at some point, incurring larger than expected credit losses and the need to record greater loss reserves (as WaMu announced on October 18, 2007 and other dates). The analysis I have performed in preparing this report on market efficiency has only served to reinforce my prior opinions.

121. I also opined in my previous declaration that fact discovery and further expert analysis will play an important role in determining whether, and to what extent, the events alleged in the Complaint (or other events) will prove loss causation. I have not been asked to, nor have I undertaken, all the analyses that would be required to form an opinion with respect to proof of loss causation in this matter.

Respectfully Submitted on April 30, 2010


Chad Coffman

Summary of Efficiency Factors for Washington Mutual Common Stock

Factor	Summary of Factor	Washington Mutual Common Stock
Average Weekly Trading Volume Cammer I	"Turnover measured by average weekly trading of 2% or more of the outstanding shares would justify a strong presumption that the market for a security is an efficient one; 1% would justify a substantial presumption."	<ul style="list-style-type: none"> Average weekly trading volume of 9.17% as a percentage of shares outstanding (18 million shares traded daily).
Analyst Coverage Cammer II	"...it would be persuasive to allege a significant number of securities analysts followed and reported on a company's stock during the class period. The existence of such analysts would imply, for example, the [auditor] reports were closely reviewed by investment professionals, who would in turn make buy/sell recommendations to client investors."	<ul style="list-style-type: none"> During the Class Period at least 30 securities analysts issued hundreds of analyst reports.
Market Makers Cammer III	"For over the counter markets without volume reporting, the number of market makers is probably the best single criterion. Ten market makers for a security would justify a substantial presumption that the market for the security is an efficient one; five market makers would justify a more modest presumption."	<ul style="list-style-type: none"> Exchange-Traded (NYSE), not over the counter
SEC Form S-3 Eligibility Cammer IV	"It would be helpful to allege the Company was entitled to file an S-3 Registration Statement in connection with public offerings or, if ineligible, such ineligibility was only because of timing factors rather than because the minimum stock requirements set forth in the instructions to Form S-3 were not met. Again, it is the number of shares traded and value of shares outstanding that involve the facts which imply efficiency."	<ul style="list-style-type: none"> S-3 Eligible
Price Reaction to New Information Cammer V	"...one of the most convincing ways to demonstrate [market] efficiency would be to illustrate, over time, a cause and effect relationship between company disclosures and resulting movements in stock price."	<ul style="list-style-type: none"> Event study demonstrates a clear cause and effect relationship.
Market Capitalization	Firms with a larger market capitalization tend to have "larger institutional ownership and tend to be listed on the New York Stock Exchange with a greater analyst following."	<ul style="list-style-type: none"> As of December 31, 2005-2007 and June 30, 2008 WaMu's market capitalization was at or above the 89th percentile of NYSE and NASDAQ stocks. Insiders never held more than 0.52% of the shares outstanding.
Bid-Ask Spread	The bid-ask spread represents a measure of the cost to transact in a market. Narrow bid-ask spreads indicate less uncertainty regarding valuation and that reasonably sized trades will not substantially impact the market price. Wider bid-ask spreads indicate greater liquidity costs and less ability to trade without moving the market price.	<ul style="list-style-type: none"> Based on a random sample of stocks, Washington Mutual's Common Stock bid-ask spread is lower than most stocks that traded on the NYSE and NASDAQ.
Institutional Holdings	Institutional investors are considered to be sophisticated, well-informed investors with access to most publicly available information for the stocks that they own.	<ul style="list-style-type: none"> Institutions held at least 80% of the shares outstanding.
Autocorrelation	If autocorrelation is persistent and sufficiently large that a trader could profit from taking advantage of the autocorrelation, it suggests market inefficiency because past price movements are not fully reflected in the current price.	<ul style="list-style-type: none"> No evidence of autocorrelation.

Exhibit 2 **Washington Mutual Common Stock Daily Price & Closing Volume** **10/19/2005 - 9/26/2008**

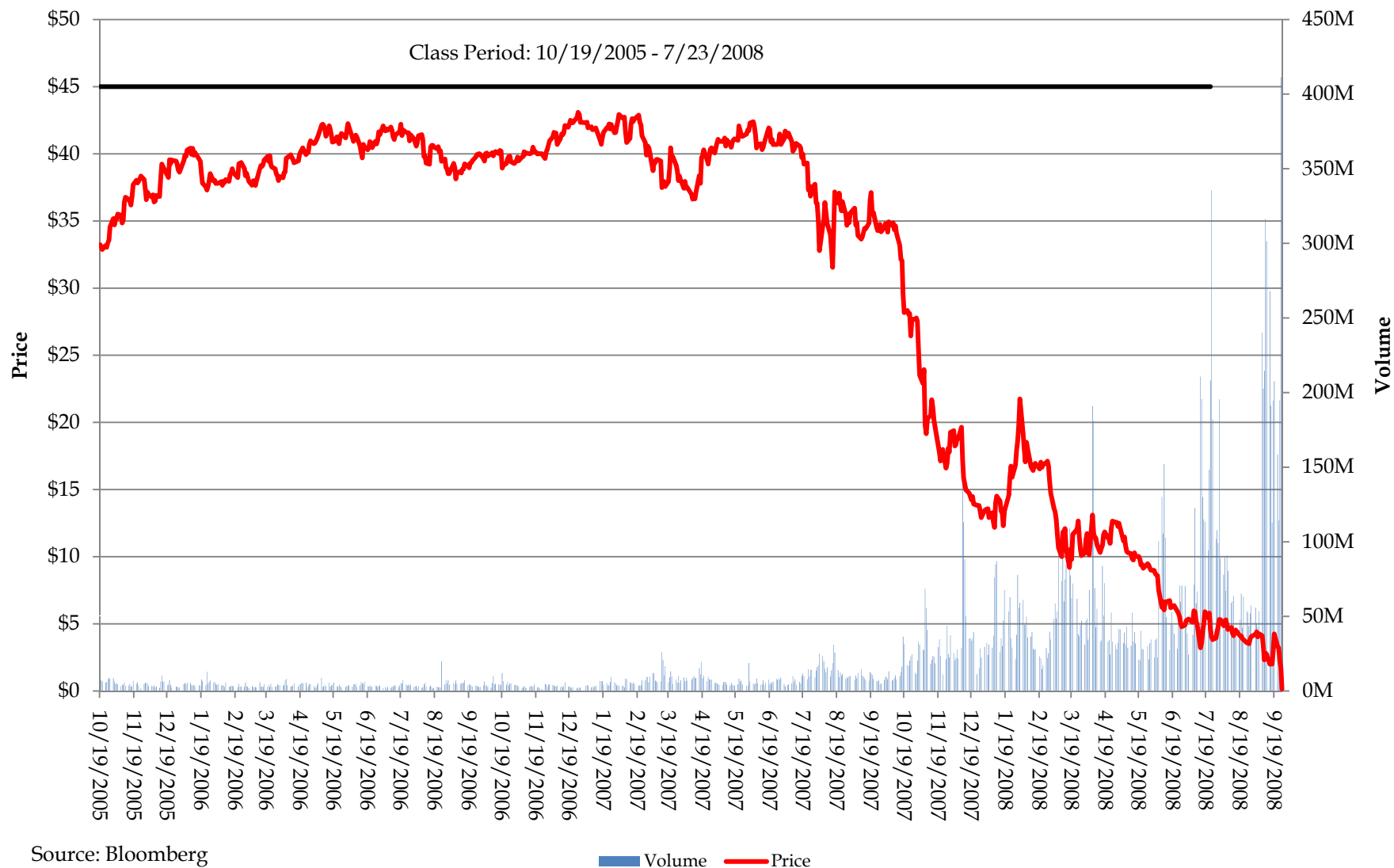


Exhibit 3

Washington Mutual Common Stock Average Weekly Trading Volume As a Percentage of Shares Outstanding 10/19/05 - 7/23/08

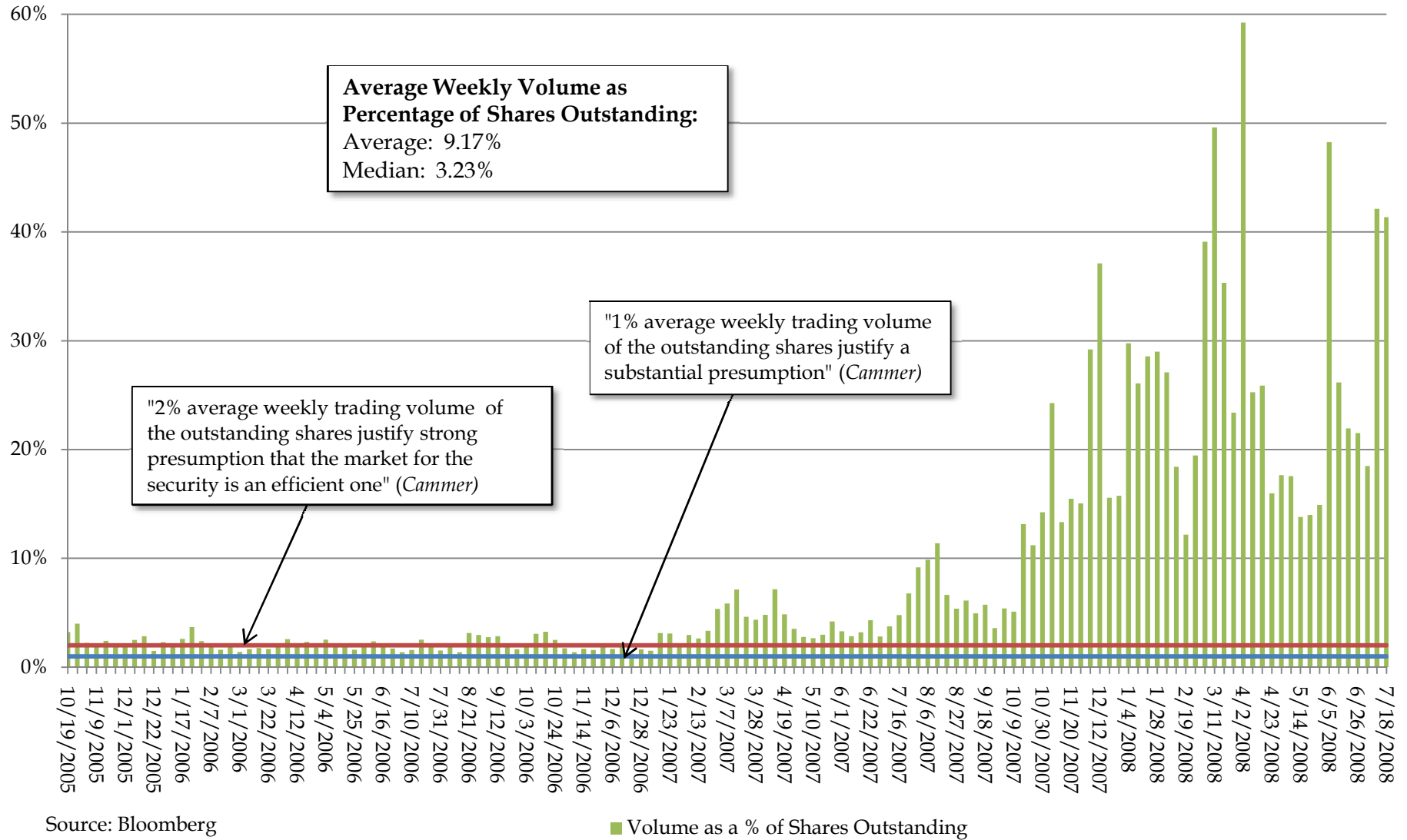


Exhibit 4**Summary of Available WaMu Securities Analyst Reports and Credit Rating Reports¹****Common Stock Reports**

	2005 ²	2006	2007	2008 ³	Total
COLUMBINE CAPITAL	0	0	47	4	51
FOX PITT KELTON COCHRAN CARONIA WALLER	0	6	20	9	35
PUNK, ZIEGEL & CO.	3	14	14	3	34
PIPER JAFFRAY	2	10	11	8	31
CREDIT SUISSE	2	10	13	4	29
MERRILL LYNCH	0	10	9	9	28
D.A. DAVIDSON & CO.	1	8	12	3	24
CITI	0	9	9	4	22
J.P.MORGAN	1	9	6	2	18
UBS	3	2	7	6	18
BARCLAYS CAPITAL	0	0	9	8	17
MORGAN STANLEY	2	6	6	2	16
BEAR STEARNS	0	1	8	4	13
KBW	0	0	6	7	13
STIFEL NICOLAUS	0	0	6	3	9
MORNINGSTAR	0	0	6	2	8
STERNE, AGEE & LEACH, INC.	0	6	1	0	7
RISKMETRICS	0	0	6	0	6
NEW CONSTRUCTS LLC	0	4	2	0	6
FBR	0	0	5	0	5
GOVERNANCEMETRICS INTERNATIONAL	0	2	2	1	5
WALL STREET STRATEGIES	0	0	4	0	4
MOORS AND CABOT, INC.	2	2	0	0	4
VALUENGINE, INC.	1	1	1	1	4
PRUDENTIAL EQUITY GROUP, INC.	0	3	1	0	4
DEUTSCHE BANK	2	2	0	0	4
BEST INDEPENDENT RESEARCH	0	0	1	2	3
RAPID RATINGS	0	0	3	0	3
LADENBURG, THALMANN & CO. INC.	0	0	0	2	2
LEHMAN BROTHERS	0	0	0	2	2
Total	19	105	215	86	425

Credit Rating Reports

	2005 ²	2006	2007	2008 ³	Total
S&P	1	19	10	13	43
MOODY'S	1	8	17	5	31
FITCH RATINGS	2	5	5	4	16
HSBC	0	1	2	2	5
BEAR STEARNS	0	1	0	0	1
Total	4	34	34	24	96

Credit Rating Reports That Cover Preferred Stock ⁴

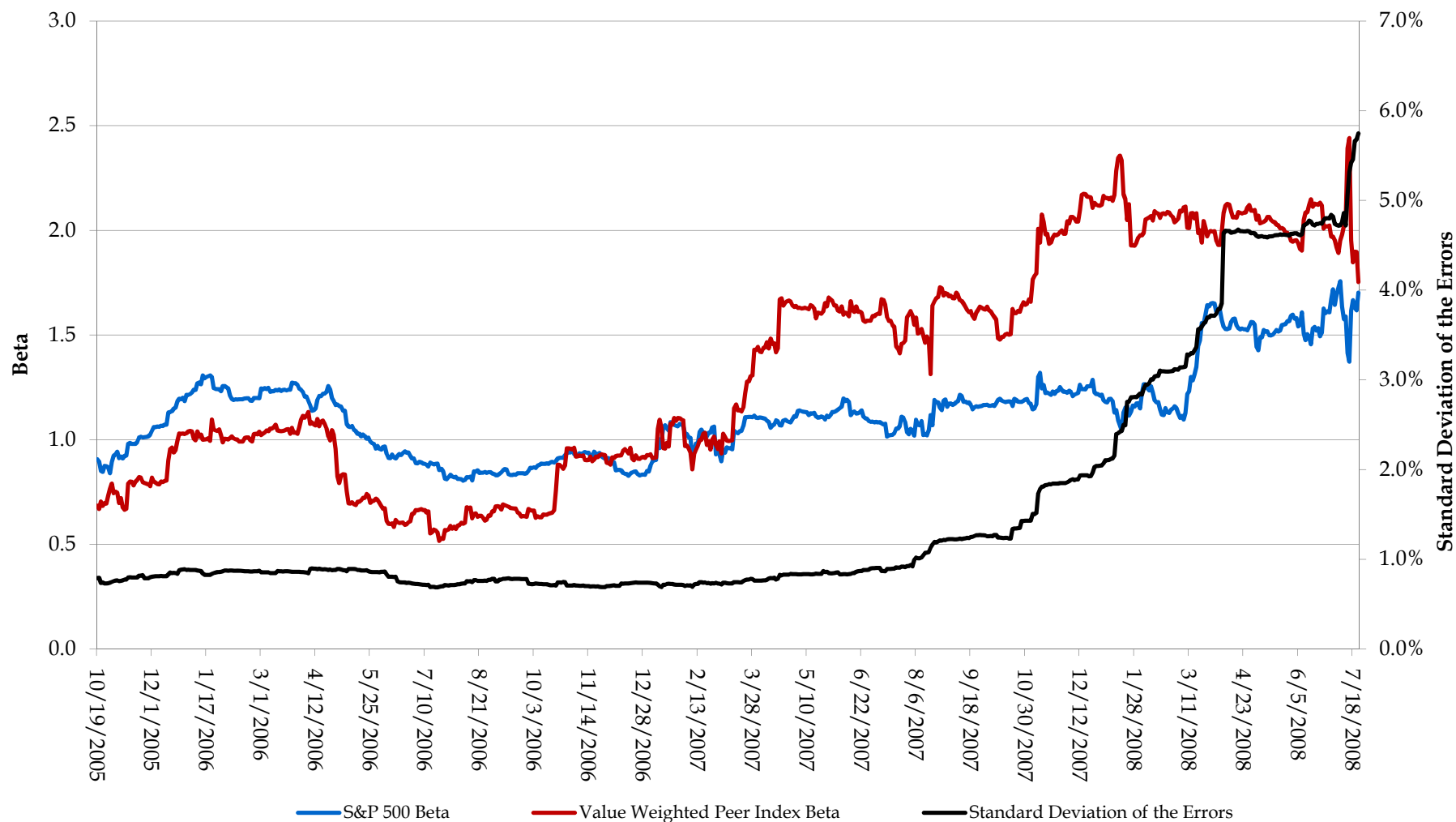
	2005 ²	2006	2007	2008 ³	Total
S&P	0	1	4	4	9
MOODY'S	0	0	3	3	6
FITCH RATINGS	1	1	2	0	4
Total	1	2	9	7	19

Sources: Thomson Financial, S&P, and Moody's

Notes:

¹For multiple reports issued on the same date by the same analyst, I count them as one.²Only reports issued on or after the beginning of the Class Period.³Only reports issued on or before the end of the Class Period.⁴Credit Rating Reports that cover the preferred stock are a subset of all credit rating reports. All but one report counted covers the WaMu Capital Trust Unit Preferred Stock.

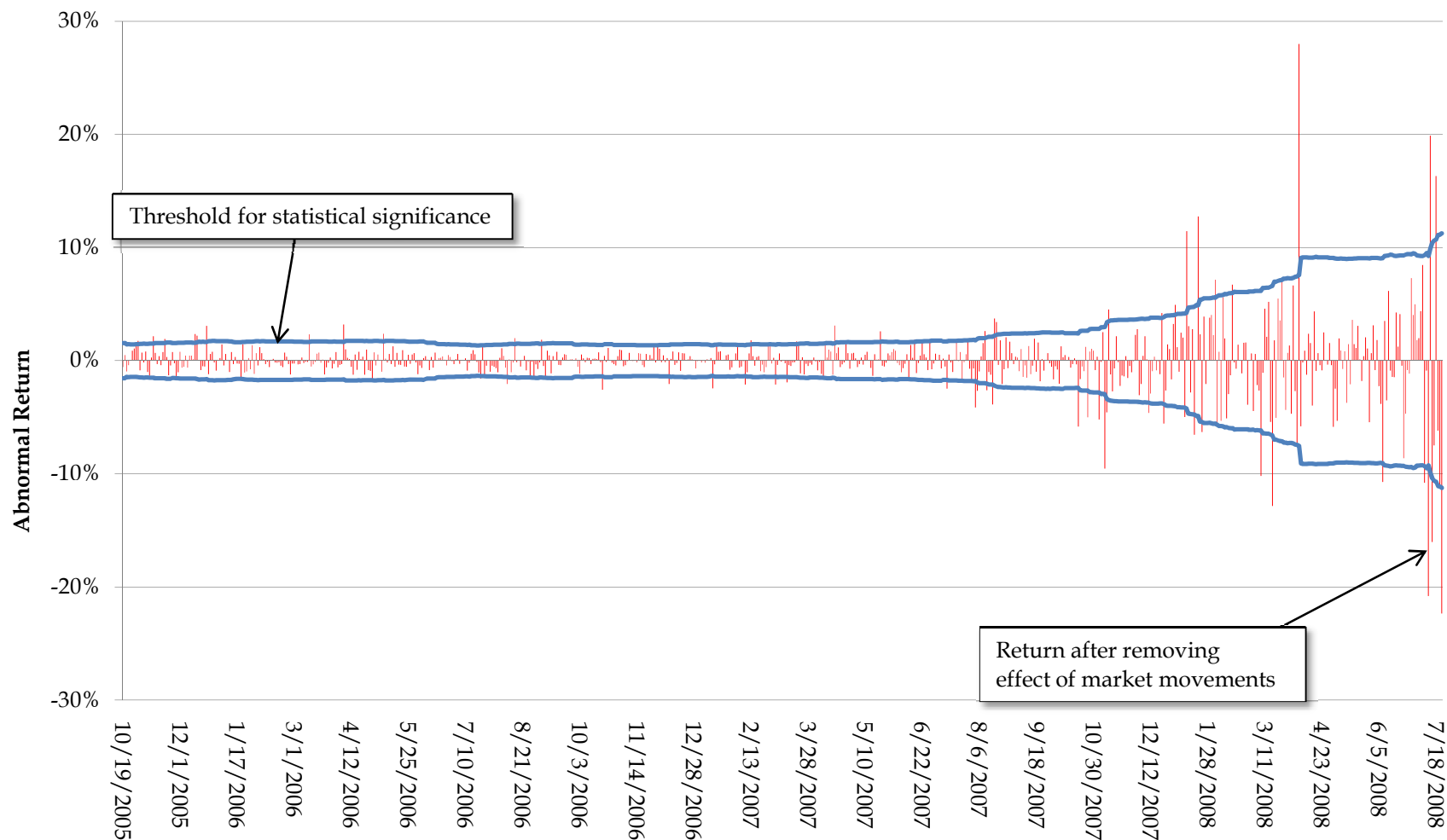
Exhibit 5 **Rolling Regression Results for Washington Mutual Common Stock¹** **10/19/2005 - 7/23/2008**



Source: Bloomberg

¹Each data point reflects a value from a regression of WaMu common stock returns controlling for the S&P 500 Total Return and a Value Weighted Peer Index (Net of Market) using data from the previous 120 trading days.

Exhibit 6 **Washington Mutual Common Stock Abnormal Returns¹** **10/19/2005 - 7/23/2008**



Source: Bloomberg

¹Each data point reflects an abnormal value from a regression of WaMu common stock returns controlling for the S&P 500 Total Return and a Value Weighted Peer Index Returns (Net of Market) using data from the previous 120 trading days.

Exhibit 7
Washington Mutual Common Stock
Market Capitalization Compared to Companies Traded on NYSE & NASDAQ

Date	Shares Outstanding (in 000s)	Market Price	Market Cap (in 000s)	Percentile Rank in NYSE & NASDAQ
December 31, 2005	986,710	\$43.50	\$42,921,885	97th
December 31, 2006	945,221	\$45.49	\$42,998,103	97th
December 31, 2007	868,723	\$13.61	\$11,823,320	90th
June 30, 2008	1,705,344	\$4.93	\$8,407,346	89th

Sources: Bloomberg, WaMu SEC Schedule 14a, 2005-2008

Exhibit 8

Washington Mutual Common Stock Shares Outstanding and Institutional Holdings

Date	Shares Outstanding (in 000s)	Insider Holdings (in 000s)	Float (Shares Out less Insider Holdings)	Total Institutional Holdings (in 000s)	Institutional Holdings % as Shares Outstanding
12/31/2005	986,710	2,864	983,846	816,459	82.75%
3/31/2006	992,255	2,864	989,391	789,066	79.52%
6/30/2006	960,750	2,864	957,886	808,480	84.15%
9/30/2006	962,880	2,864	960,016	782,471	81.26%
12/31/2006	945,221	3,007	942,214	835,581	88.40%
3/31/2007	889,035	3,007	886,028	862,925	97.06%
6/30/2007	888,408	3,007	885,401	865,312	97.40%
9/30/2007	870,584	3,007	867,577	770,583	88.51%
12/31/2007	868,723	3,228	865,495	795,809	91.61%
3/31/2008	882,557	3,228	879,329	857,729	97.19%
6/30/2008	1,705,344	5,499	1,699,845	1,371,852	80.44%

Sources: Capital IQ, Bloomberg, SEC Schedule 14a, 2005 - 2008

Exhibit 9
Autocorrelation Coefficients By Calendar
Quarter for WaMu Common Stock

Quarter	Coefficient on Previous Day	t-stat
	Abnormal Return ¹	
2005Q4	0.08	0.58
2006Q1	-0.31	-2.36
2006Q2	-0.03	-0.30
2006Q3	-0.03	-0.25
2006Q4	-0.10	-0.90
2007Q1	0.16	1.28
2007Q2	-0.04	-0.34
2007Q3	-0.02	-0.14
2007Q4	-0.34	-1.19
2008Q1	0.02	0.09
2008Q2	0.01	0.06

¹For each quarter I perform a regression with the abnormal return from the event study as the dependent variable and the previous day's abnormal return as the independent variable. I exclude observations for which there is news on the date of interest and news on the previous day.

Exhibit 10
Summary of Washington Mutual Preferred Securities

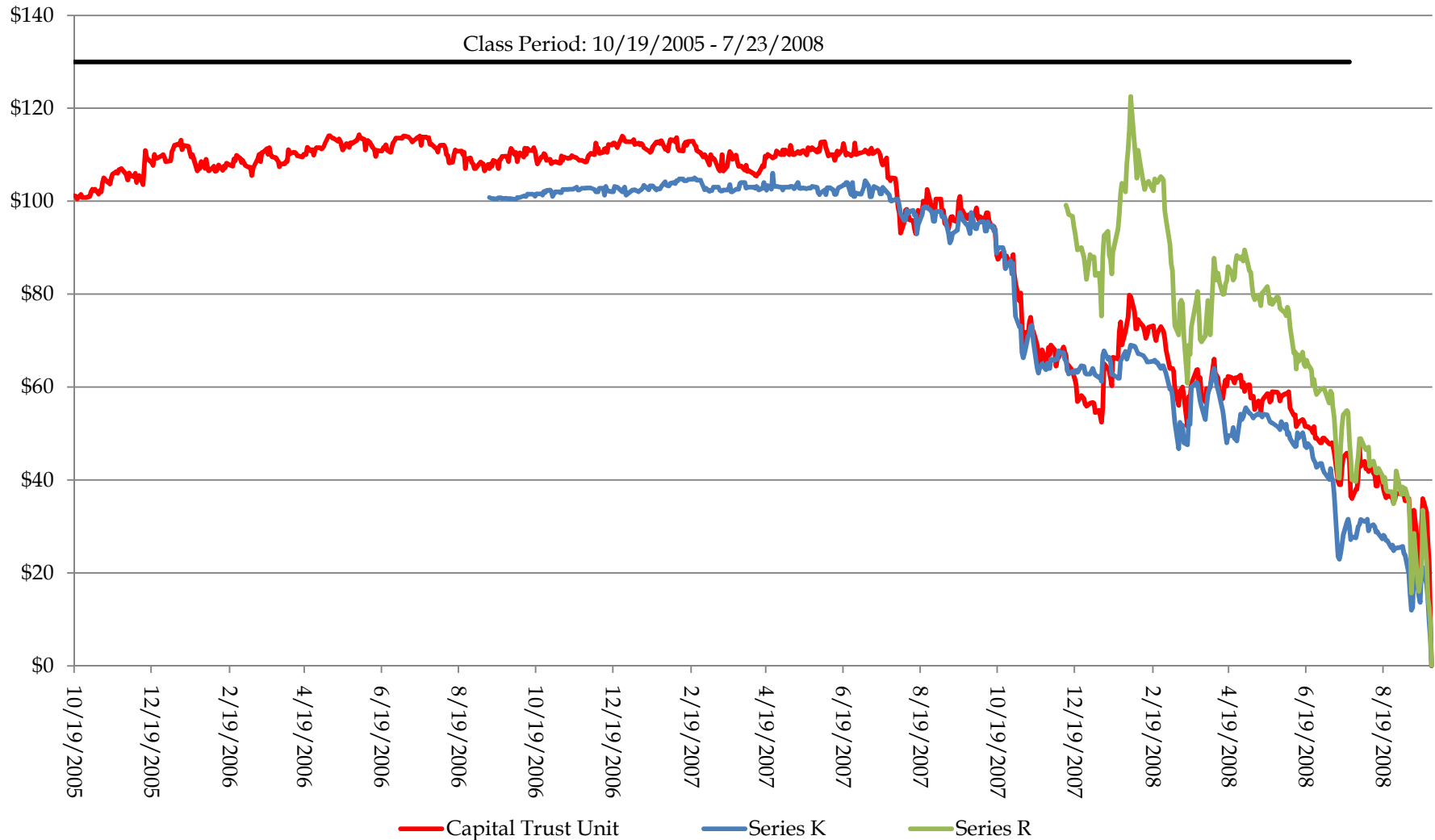
	CUSIP [1]	Issuer [2]	Description [3]	Issue Date [4]	Maturity Date [5]	Exchange [6]	Issue Price [7]	Amount Issued (Millions) [8]
1 ¹	939322848	Washington Mut Cap Tr I	Capital Trust Unit Preferred Stock	7/16/2001	5/3/2041	OTC	\$50.00	\$1,150
3	939322830	Washington Mutual Inc	Series K Preferred Stock	9/18/2006		NYSE	\$25.00	\$500
4	939322814	Washington Mutual Inc	Series R Preferred Stock	12/17/2007		NYSE	\$1,000.00	\$3,000

Source: Bloomberg

Notes:

¹According to Washington Mutual, Inc. 's 2007 10K, "In the second quarter of 2001, Washington Mutual Capital Trust 2001 issued 23 million units, totaling \$1.15 billion, of Trust Preferred Income Equity Redeemable SecuritiesSM, through the issuance of \$1.19 billion of 5.38% subordinated debentures, due in 2041. Each unit consists of a preferred security having a stated liquidation amount of \$50 and a current yield of 5.38%, and a warrant to purchase at any time prior to the close of business on May 3, 2041, 1.2081 shares of common stock of Washington Mutual. At any time after issuance of the units, the preferred security and warrant components of each unit may be separated by the holder and transferred separately. Thereafter, a separated preferred security and warrant may be combined to form a unit. The initial warrant exercise price was \$32.33 and the warrant exercise price on the expiration date of the warrants will equal \$50. As of December 31, 2007, the warrant exercise price was \$32.81."

Exhibit 11
Daily Closing Price for Washington Mutual Preferred Securities
Indexed to \$100 as of Issue Date
10/19/05 - 9/26/2008



Source: Bloomberg

Summary of Efficiency Factors for Washington Mutual Preferred Securities

Factor	Summary of Factor	Washington Mutual Preferred Securities
Average Weekly Trading Volume Cammer I	"Turnover measured by average weekly trading of 2% or more of the outstanding shares would justify a strong presumption that the market for a security is an efficient one; 1% would justify a substantial presumption."	<ul style="list-style-type: none"> Each of the three preferred stocks analyzed have an average weekly trading volume greater than 3%.
Analyst Coverage Cammer II	"...it would be persuasive to allege a significant number of securities analysts followed and reported on a company's stock during the class period. The existence of such analysts would imply, for example, the [auditor] reports were closely reviewed by investment professionals, who would in turn make buy/sell recommendations to client investors."	<ul style="list-style-type: none"> Preferred Securities were rated by S&P, Moody's, and Fitch. The hundreds of securities analyst reports covering WaMu common stock are also relevant to an evaluation of the preferred securities.
Market Makers Cammer III	"For over the counter markets without volume reporting, the number of market makers is probably the best single criterion. Ten market makers for a security would justify a substantial presumption that the market for the security is an efficient one; five market makers would justify a more modest presumption."	<ul style="list-style-type: none"> The Series R and Series K Preferred Stocks were traded on the NYSE, not over-the-counter. The WM Capital Trust Unit Preferred Stock was traded over-the-counter and had 24 market makers during the Class Period.
SEC Form S-3 Eligibility Cammer IV	"It would be helpful to allege the Company was entitled to file an S-3 Registration Statement in connection with public offerings or, if ineligible, such ineligibility was only because of timing factors rather than because the minimum stock requirements set forth in the instructions to Form S-3 were not met. Again, it is the number of shares traded and value of shares outstanding that involve the facts which imply efficiency."	<ul style="list-style-type: none"> S-3 Eligible
Price Reaction to New Information Cammer V	"...one of the most convincing ways to demonstrate [market] efficiency would be to illustrate, over time, a cause and effect relationship between company disclosures and resulting movements in stock price."	<ul style="list-style-type: none"> Event study demonstrates a clear cause and effect relationship.
Market Capitalization	Firms with a larger market capitalization tend to have "larger institutional ownership and tend to be listed on the New York Stock Exchange with a greater analyst following."	<ul style="list-style-type: none"> Even when compared to common stocks, WaMu Preferred Securities each individually fall above the 37th percentile among NYSE and NASDAQ stocks.
Bid-Ask Spread	The bid-ask spread represents a measure of the cost to transact in a market. Narrow bid-ask spreads indicate less uncertainty regarding valuation and that reasonably sized trades will not substantially impact the market price. Wider bid-ask spreads indicate greater liquidity costs and less ability to trade without moving the market price.	<ul style="list-style-type: none"> Based on a random sample of one hundred NYSE and NASDAQ stocks, in May of 2007 12% of stocks had higher bid-ask spread than the Capital Trust Unit and 21% had a higher bid-ask spread than the Series K. Based on the same sized sample, in June 2008 36% of stocks had a higher bid-ask spread than the Series R.
Institutional Holdings	Institutional investors are considered to be sophisticated, well-informed investors with access to most publicly available information for the stocks that they own.	
Autocorrelation	If autocorrelation is persistent and sufficiently large that a trader could profit from taking advantage of the autocorrelation, it suggests market inefficiency because past price movements are not fully reflected in the current price.	<ul style="list-style-type: none"> No evidence of consistent autocorrelation that would suggest a profitable arbitrage opportunity.

Exhibit 13
Washington Mutual Capital Trust Unit Preferred Stock
Average Weekly Trading Volume As a Percentage of Units Outstanding
10/19/2005-7/23/2008

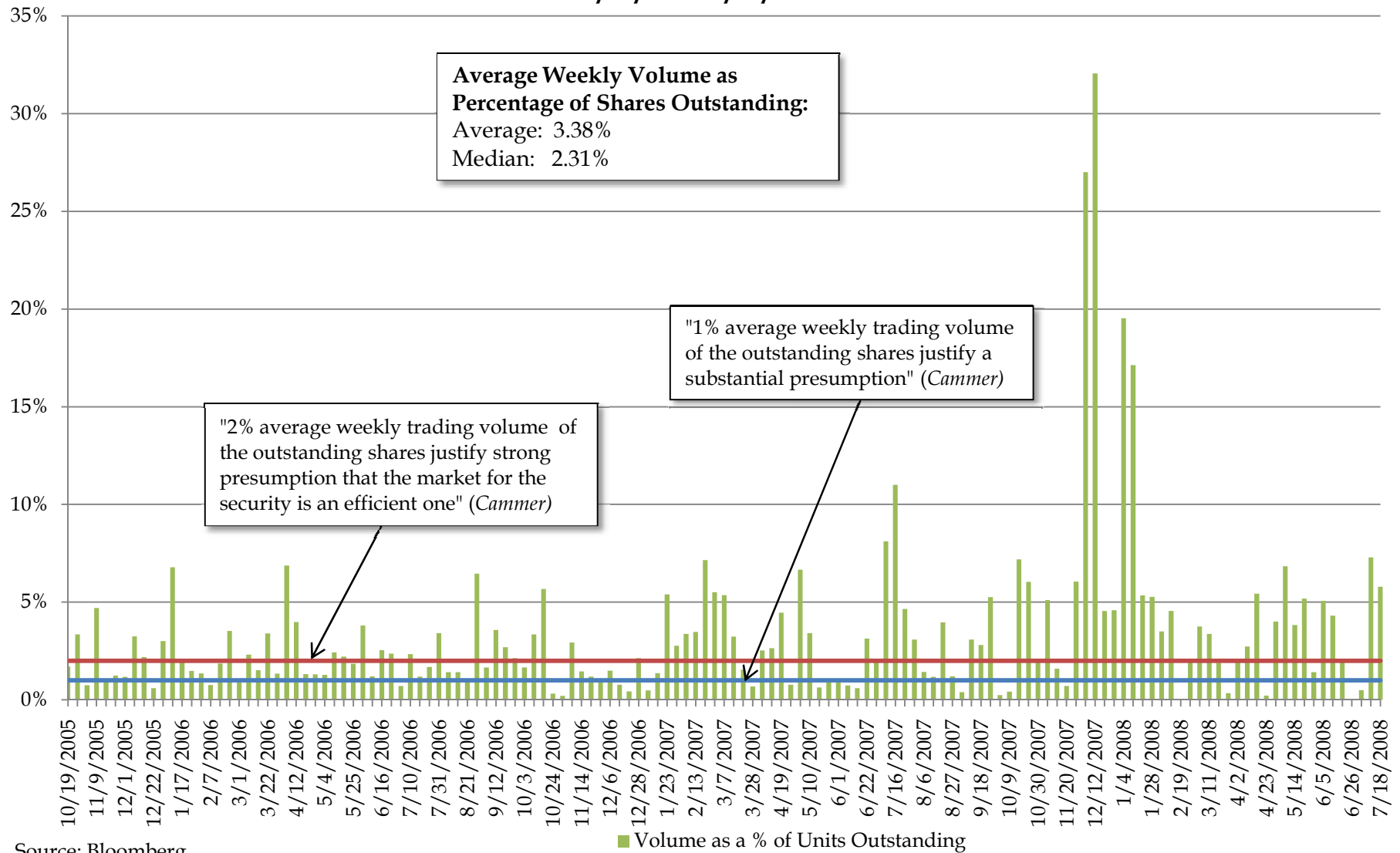
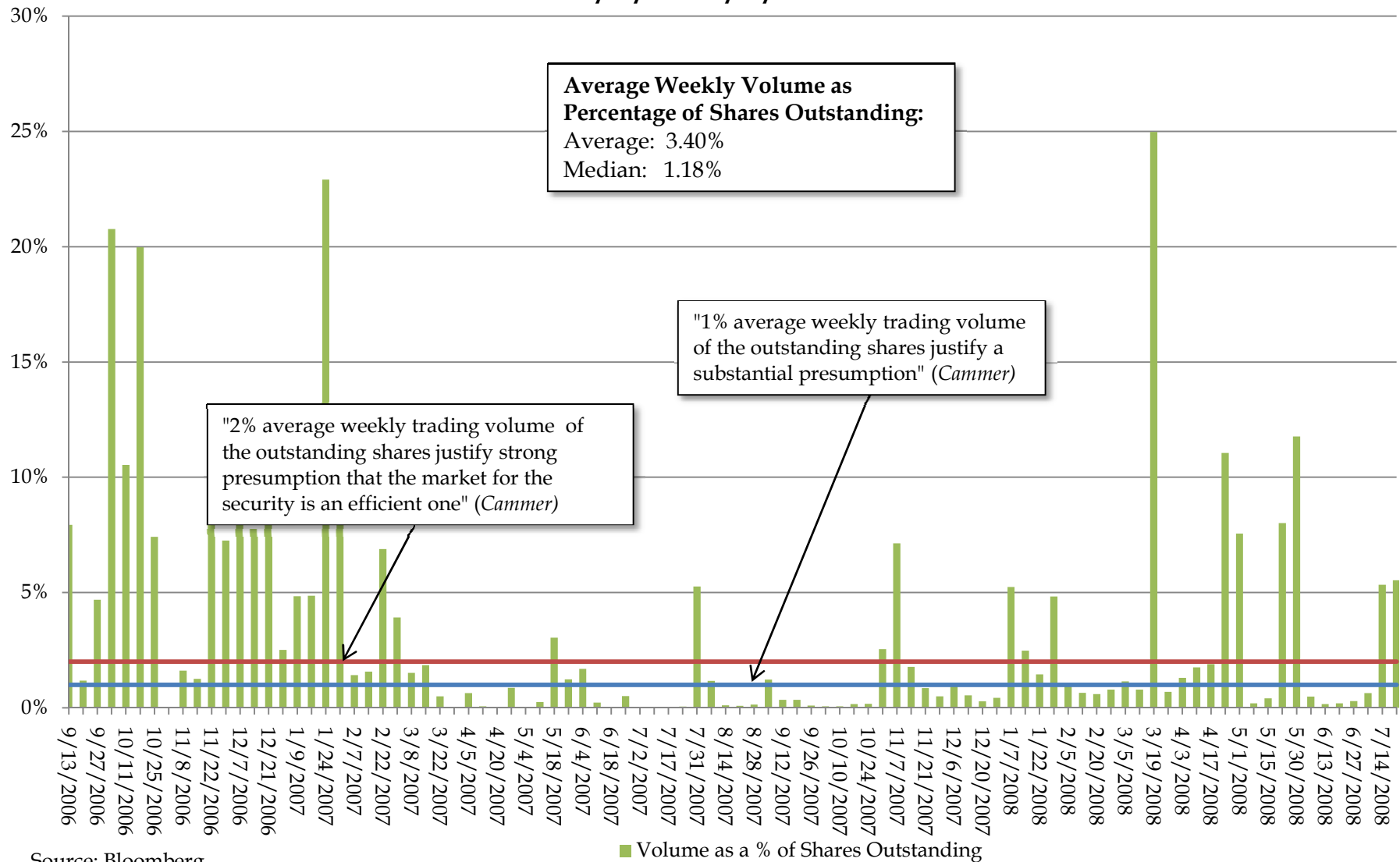
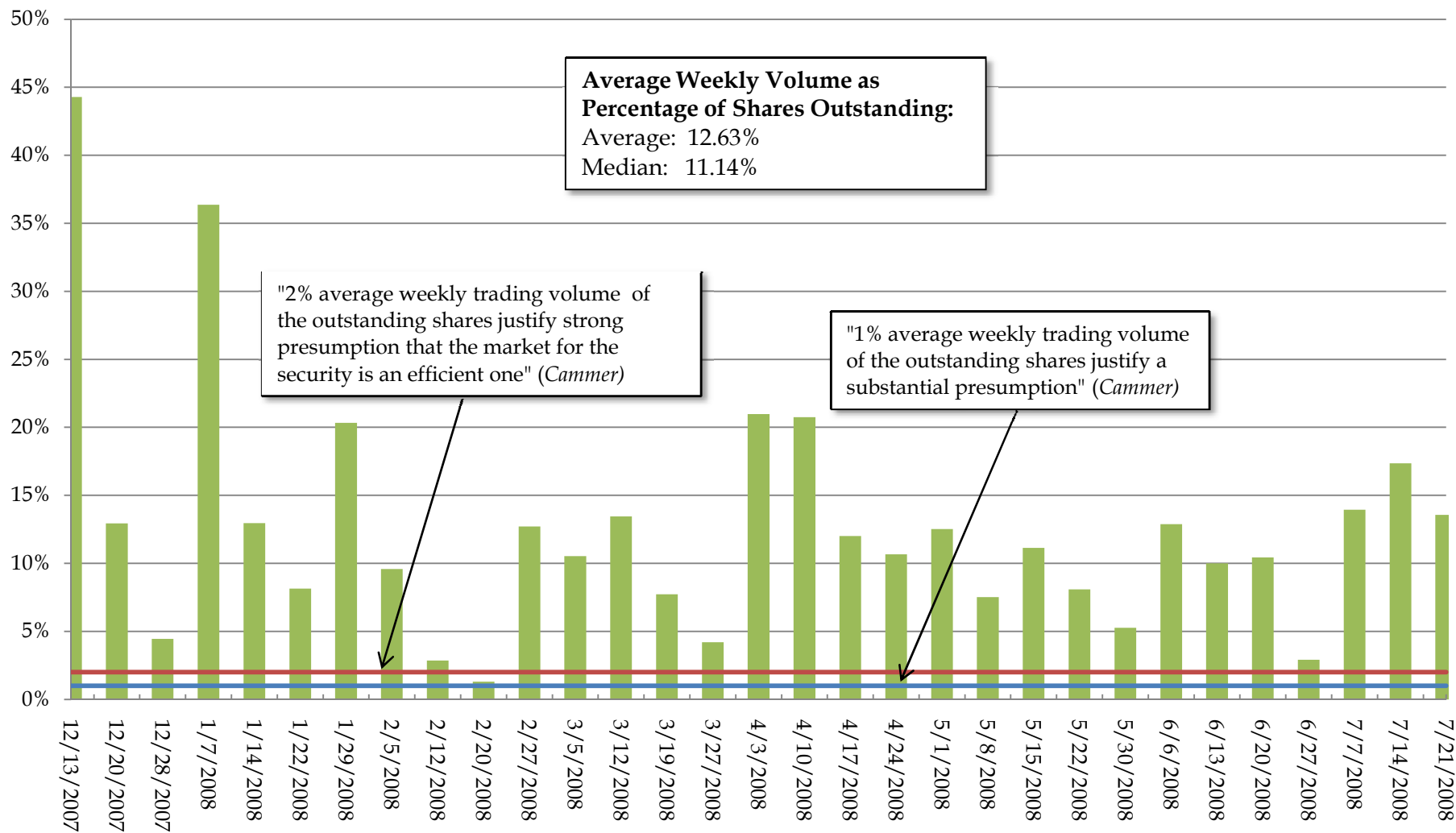


Exhibit 14
Washington Mutual Series K Preferred Stock
Average Weekly Trading Volume As a Percentage of Shares Outstanding
9/13/2006-7/23/2008



Source: Bloomberg

Exhibit 15
Washington Mutual Series R Preferred Stock
Average Weekly Trading Volume As a Percentage of Shares Outstanding
12/13/2007-7/23/2008



Source: Bloomberg

■ Volume as a % of Shares Outstanding

Exhibit 16
Washington Mutual Preferred Securities
Annualized Turnover Velocity 2005-2008

Securities	Annualized Turnover Velocity	NYSE Turnover Velocity
Capital Trust Unit Preferred Stock ⁽¹⁾	171.5%	164.9%
Series K Preferred Stock ⁽²⁾	170.3%	183.5%
Series R Preferred Stock ⁽³⁾	634.1%	234.4%

Sources:

Bloomberg

<http://www.world-exchanges.org/statistics>

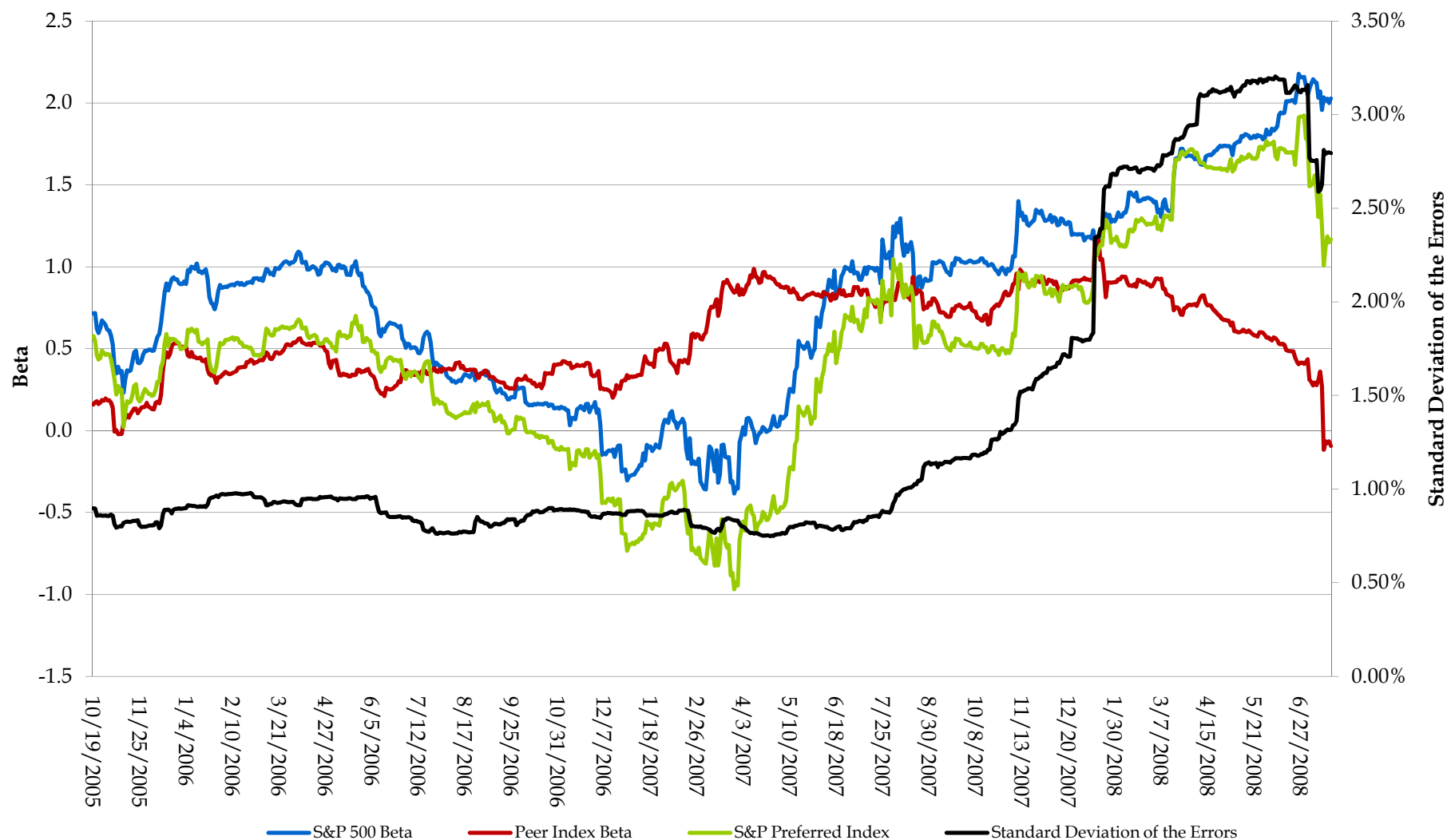
Notes:

1) Data range: 10/19/2005 to 7/23/2008

2) Data range: 9/13/2006 to 7/23/2008

3) Data range: 12/13/2007 to 7/23/2008

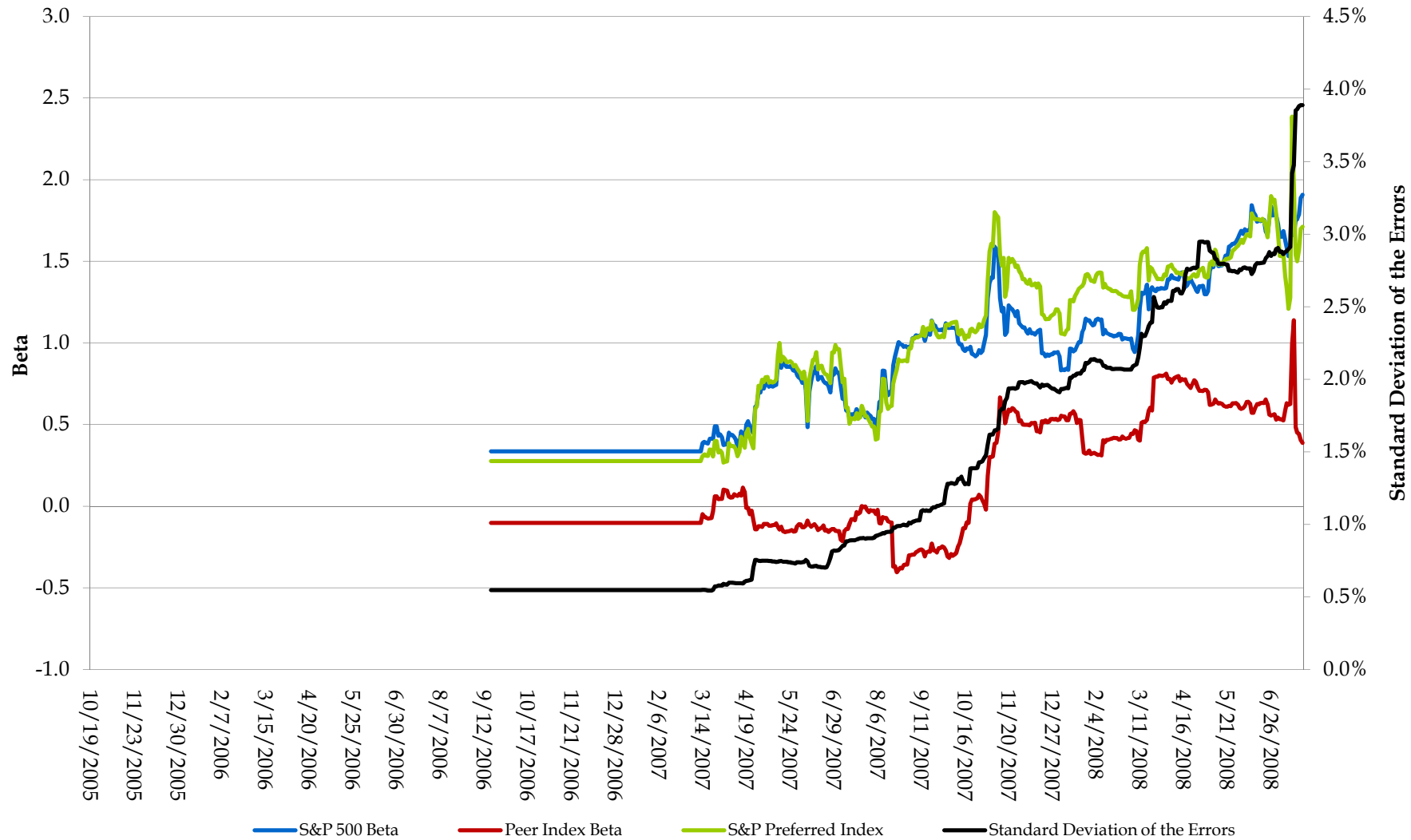
Exhibit 17
Rolling Regression Results for Washington Mutual Capital Trust Unit¹
10/19/2005 - 7/23/2008



Source: Bloomberg

¹Each data point reflects a value from a regression of WaMu Capital Trust Unit returns controlling for S&P 500 Total Return, S&P Preferred Index (Net of S&P 500) and a Value Weighted Peer Index (Net of S&P 500) using data from the previous 120 trading days.

Exhibit 18
Rolling Regression Results for Washington Mutual Series K Preferred Stock¹
10/19/2005 - 7/23/2008



Source: Bloomberg

¹Each data point reflects a value from a regression of WaMu Capital Series K Preferred Stock returns controlling for S&P 500 Total Return, S&P Preferred Index (Net of S&P 500) and a Value Weighted Peer Index (Net of S&P 500) using data from the previous 120 trading days.

Exhibit 19
Rolling Regression Results for Washington Mutual Series R Preferred Stock¹
10/19/2005 - 7/23/2008

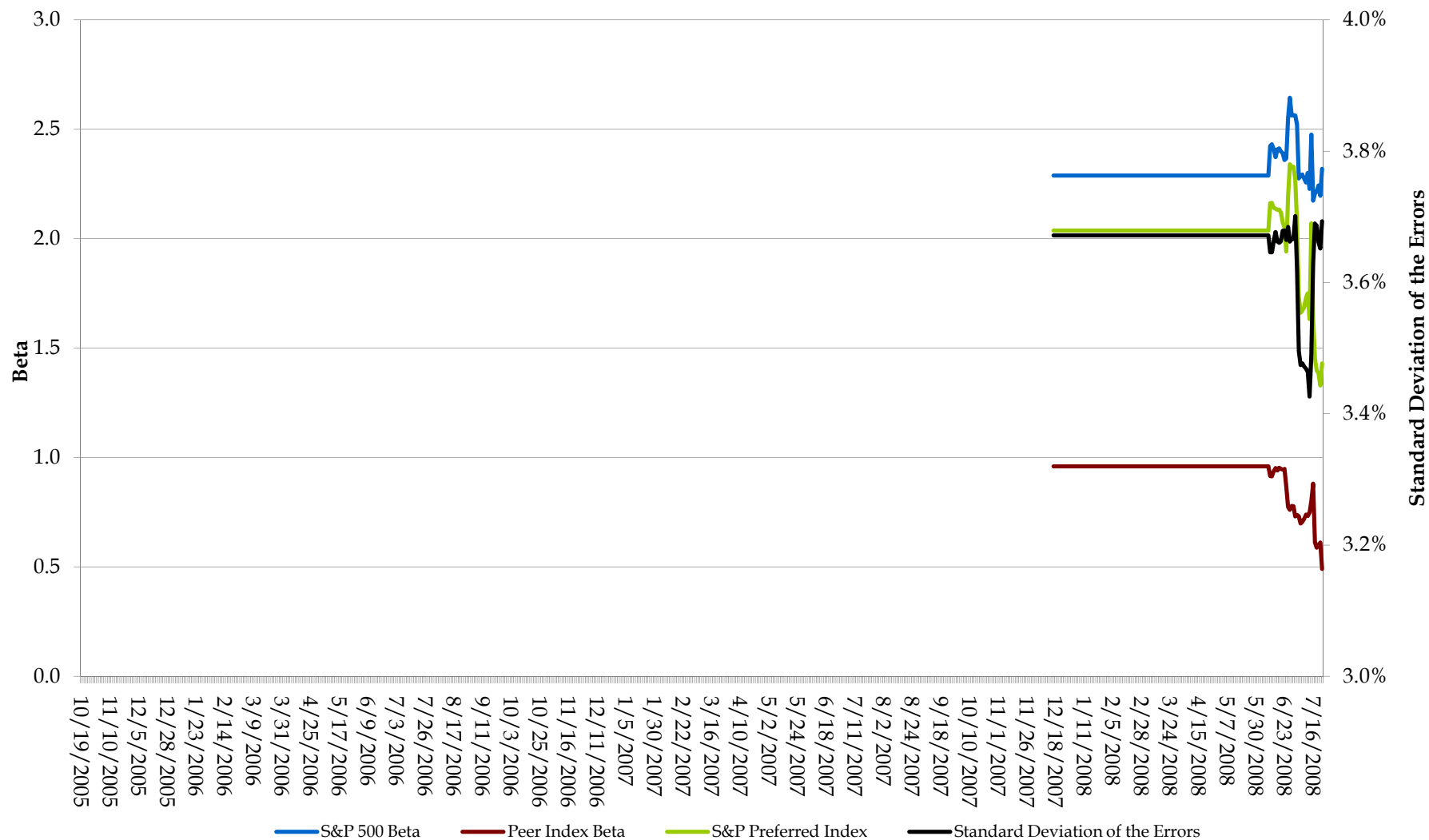
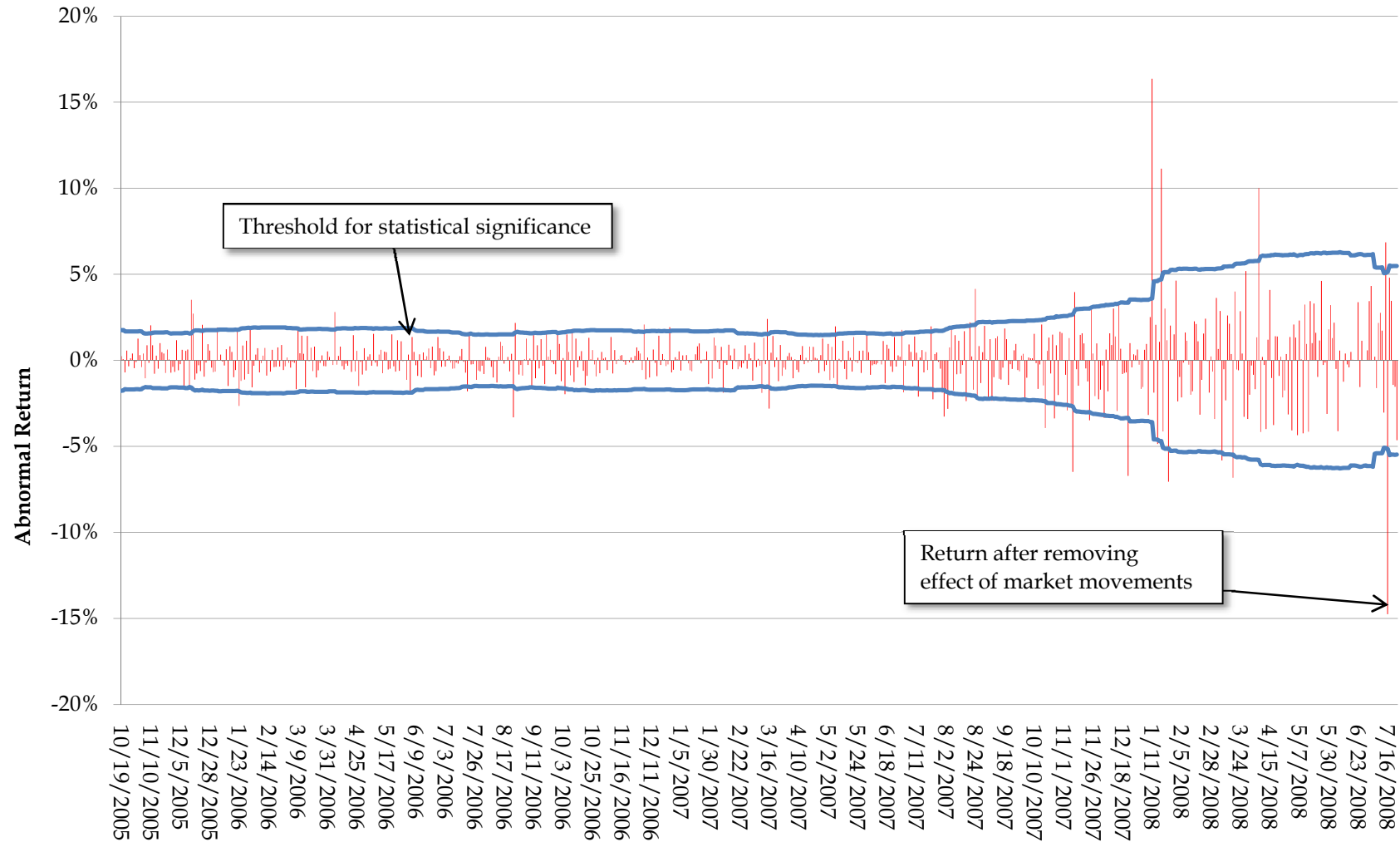


Exhibit 20

Washington Mutual Capital Trust Unit Preferred Stock Abnormal Returns¹

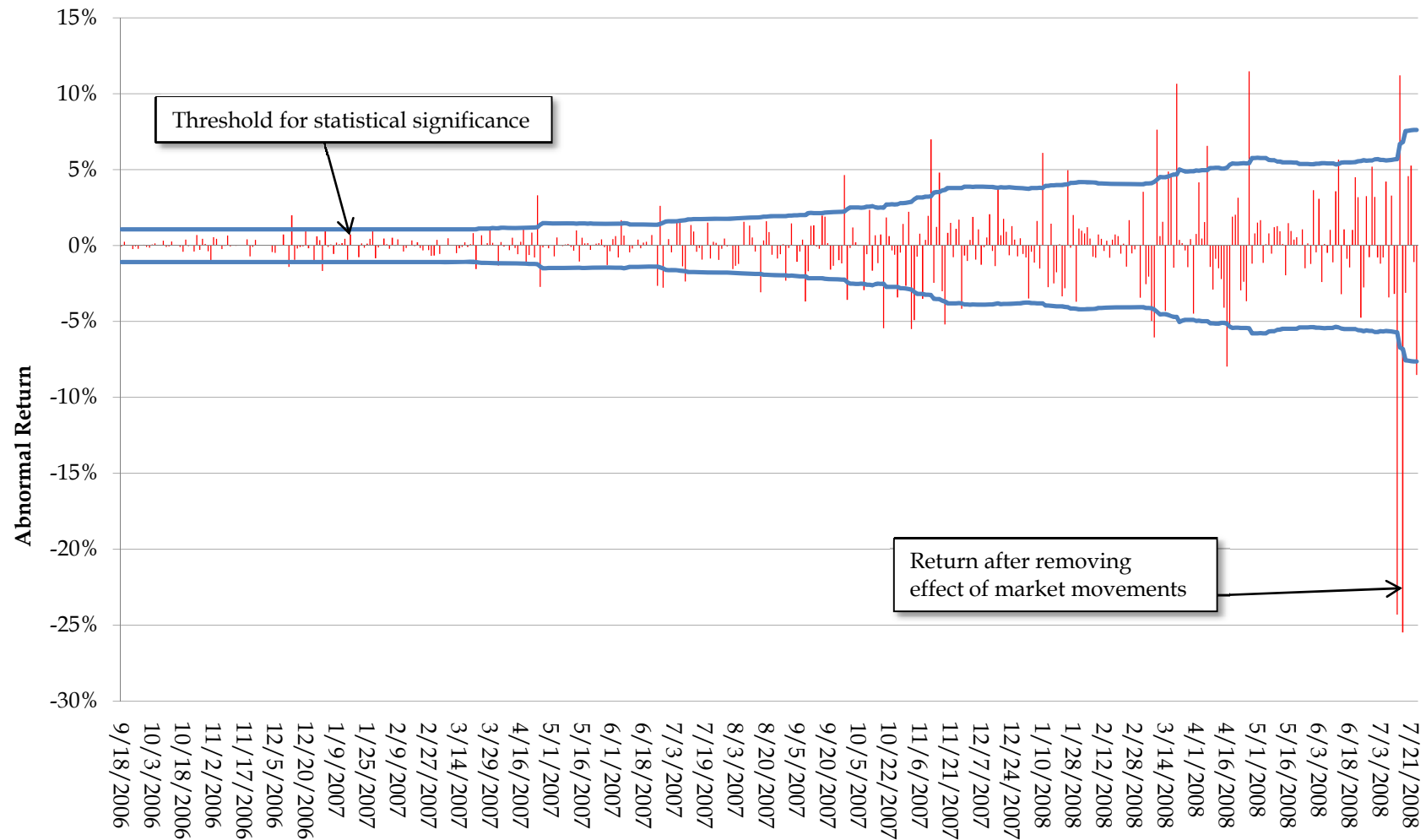


Source: Bloomberg

¹Each data point reflects an abnormal return from a regression of WaMu Capital Trust Unit Preferred Stock returns controlling for S&P 500 Total Return, S&P Preferred Index (Net of S&P 500) and a Value Weighted Peer Index (Net of S&P 500) using data from the previous 120 trading days.

Exhibit 21

Washington Mutual Series K Preferred Stock Abnormal Returns¹

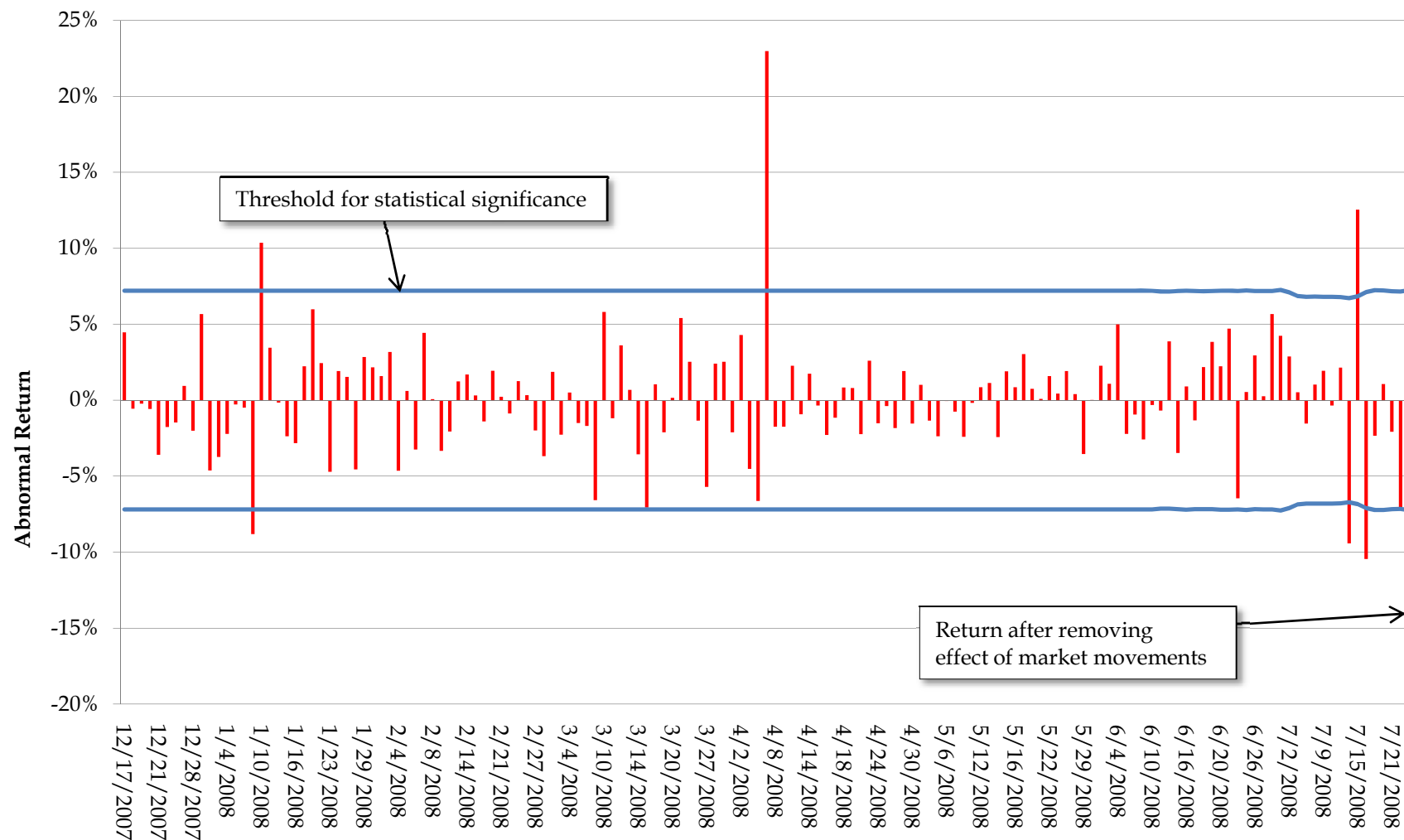


Source: Bloomberg

¹Each data point reflects an abnormal return from a regression of WaMu Series K Preferred Stock returns controlling for S&P 500 Total Return, S&P Preferred Index (Net of S&P 500) and a Value Weighted Peer Index (Net of S&P 500) using data from the previous 120 trading days.

Exhibit 22

Washington Mutual Series R Preferred Stock Abnormal Returns ¹



Source: Bloomberg

¹Each data point reflects an abnormal return from a regression of WaMu Series R Preferred Stock returns controlling for S&P 500 Total Return, S&P Preferred Index (Net of S&P 500) and a Value Weighted Peer Index (Net of S&P 500) using data from the previous 120 trading days.

Exhibit 23
Washington Mutual Preferred Securities
Market Capitalization Compared to Common Stocks Traded on NYSE & NASDAQ

Capital Trust Preferred Unit
(Issued 7/16/2001)

Date	Units Outstanding (in '000)	Market Price	Market Cap (in '000)	Rank in NYSE&NASDAQ
12/31/2005	23,000	\$54.25	\$1,247,750	66th
12/31/2006	23,000	\$56.40	\$1,297,200	64th
12/31/2007	23,000	\$28.25	\$649,750	54th
6/30/2008	23,000	\$24.00	\$552,000	54th

Series K Preferred Stock
(Issued 9/18/2006)

Date	Shares Outstanding (in '000)	Market Price	Market Cap (in '000)	Rank in NYSE&NASDAQ
12/31/2006	20,000	\$25.33	\$506,600	46th
12/31/2007	20,000	\$15.70	\$314,000	39th
6/30/2008	20,000	\$10.90	\$218,000	37th

Series R Preferred Stock
(Issued 12/17/2007)

Date	Shares Outstanding (in '000)	Market Price	Market Cap (in '000)	Rank in NYSE&NASDAQ
12/31/2007	3,000	\$885.00	\$2,655,000	76th
6/30/2008	3,000	\$594.34	\$1,783,020	72th

Sources:

Bloomberg, SEC Schedule 14a, 2005 - 2008

Exhibit 24
Autocorrelation Coefficients By Calendar Quarter for WaMu Preferred Securities

Quarter	Series R		Series K		Capital Trust Unit	
	Coefficient		Coefficient		Coefficient	
	on Previous Day		on Previous Day		on Previous Day	
	Abnormal		Abnormal		Abnormal	
	Return ¹	t-stat	Return ¹	t-stat	Return ¹	t-stat
2005Q4					0.00	-0.01
2006Q1					-0.51	-4.22
2006Q2					-0.29	-2.40
2006Q3			*	*	-0.24	-1.64
2006Q4			-0.46	-2.90	-0.43	-3.54
2007Q1			-0.33	-2.19	-0.38	-3.51
2007Q2			-0.63	-5.36	-0.50	-4.01
2007Q3	*	*	0.13	0.72	-0.19	-1.38
2007Q4	-1.58	-1.64	-0.30	-1.79	-0.17	-0.84
2008Q1	-0.03	-0.14	-0.09	-0.47	-0.17	-0.85
2008Q2	-0.32	-1.91	-0.25	-1.75	-0.15	-0.93

* Insufficient number of observations during this period

¹For each quarter I perform a regression with the abnormal return from the event study as the dependent variable and the previous day's abnormal return as the independent variable. I exclude observations for which there is news on the date of interest and news on the previous day.

Exhibit 25
Analysis of Whether Autocorrelation for the Capital Trust Unit
Preferred Stock is Sufficient to Generate Profitable Arbitrage
Opportunity

Quarter	Coefficient on Previous Day Abnormal Return ¹	t-stat	Average Absolute Return	Average Predictive Component ²	Cost of Trade ³
	[A]	[B]	[C]	[A] * [C]	[D]
2005Q4	0.00	-0.01	0.76%	0.00%	0.68%
2006Q1	-0.51	-4.22	0.73%	-0.38%	0.83%
2006Q2	-0.29	-2.40	0.64%	-0.18%	0.76%
2006Q3	-0.24	-1.64	0.67%	-0.16%	0.99%
2006Q4	-0.43	-3.54	0.62%	-0.27%	0.83%
2007Q1	-0.38	-3.51	0.63%	-0.24%	0.82%
2007Q2	-0.50	-4.01	0.63%	-0.32%	0.58%
2007Q3	-0.19	-1.38	1.17%	-0.23%	1.08%
2007Q4	-0.17	-0.84	1.57%	-0.26%	1.21%
2008Q1	-0.17	-0.85	2.52%	-0.43%	1.59%
2008Q2	-0.15	-0.93	1.89%	-0.29%	1.27%

¹For each quarter I perform a regression with the abnormal return from the event study as the dependent variable and the previous day's abnormal return as the independent variable. I exclude observations for which there is news on the date of interest and news on the previous day.

²Assuming autocorrelation is persistent and that trade does not move price.

³Cost of trade is equal to half of the average Bid Ask spread over the quarter

Appendix A

List of Documents/Data Considered

Court Documents

- Amended Consolidated Class Action Complaint filed June 15, 2009.

Court Decisions and Securities Law

- *Basic v. Levinson*, 485 U.S. 224, 240 (1988).
- *Cammer v. Bloom*, Civil Action No. 88-2458, U.S. District Court for the District of New Jersey, April 19th, 1989.

Washington Mutual Analyst Reports & Credit Rating Reports

- Securities analyst reports provided by Counsel.
- Credit reports issued by S&P and Fitch.
- Lists of equity and credit reports accessed via Thomson Financial.
- Lists of credit rating reports issued by S&P and Moody's.

SEC Filings/Forms

- Washington Mutual, Inc. SEC forms 10-K, 10-Q, and Schedule 14a filed from 2004 through 2008.
- Washington Mutual, Inc. 7.75% Series R Non-Cumulative Perpetual Convertible Preferred Stock Prospectus dated December 11, 2007.
- Washington Mutual, Inc. Depositary Shares Each Representing a 1/40,000th Interest in a Share of Series K Perpetual Non-Cumulative Floating Rate Preferred Stock Prospectus dated September 11, 2006.
- Washington Mutual Inc., SEC Form S-3 dated August 20, 2001.
- Washington Mutual Inc., amended SEC Form S-3 dated August 31, 2001.
- Washington Mutual, Inc. SEC Form S-3ASR dated May 5, 2008.
- Washington Mutual, Inc. Trust Preferred Income Equity Redeemable Securities (PIERS) Units, Offering Memorandum dated April 25, 2001.
- Form S-3 eligibility information from www.sec.gov/about/forms/forms-3.pdf.
- 13F filings for selected institutions holding Washington Mutual, Inc. common stock shares.

Security Data

- Historical data for Washington Mutual, Inc. Common Stock, Preferred Stock Series R, Preferred Stock Series K, and Capital Trust Unit Preferred Stock obtained from Bloomberg.
- Historical price, volume, and market capitalization data for selected peers obtained from Bloomberg.
- Historical price data for the S&P 500 Total Return Index and S&P Preferred Stock Price Index.
- Quote data for Washington Mutual, Inc. Stock, Washington Mutual, Inc. Series K Preferred Stock, Washington Mutual, Inc. Series R Preferred Stock, and other publicly traded stocks for May 2006, May 2007 and June 2008 obtained from www.tickdata.com.
- Market Maker Price Movement Reports and Time & Sales Reports for the Washington Mutual, Inc. Capital Trust Unit Preferred Stock obtained from the OTC Bulletin Board
- Institutional holdings data obtained from CapitalIQ.
- The market capitalization of all the companies that traded on the NYSE and the NASDAQ as of December 30, 2005, December 29, 2006, December 31, 2007, and June 30, 2008 obtained from Bloomberg.

Exchange Data & Other Financial Data

- World Federation of Exchanges; <http://www.world-exchanges.org>.
- Inside Mortgage Finance Publications; <http://www.imfpubs.com>.

Washington Mutual News

- Washington Mutual news headlines and articles downloaded from Factiva for the Class Period.

Academic Articles/Texts

- Vipin Agrawal, Meeta Kothare, Ramesh K.S. Rao, and Pavan Wadhwa, "Bid-ask spreads, informed investors, and the firm's financial condition" *The Quarterly Review of Economics and Finance* Vol. 44, 2004.
- Doron Avramov, Tarun Chordia, and Amit Goyal, "Liquidity and Autocorrelations in Individual Stock Returns," *The Journal of Finance* Vol. LXI No. 5, 2006.
- Brad M. Barber, Paul A. Griffin and Baruch Lev, "The Fraud-on-the-Market Theory and the Indicators of Common Stocks' Efficiency, *The Journal of Corporation Law*, Winter 1994, 19 Iowa J. Corp. L. 285.

- John Binder, “The Event Study Methodology Since 1969,” *Review of Quantitative Finance and Accounting* Vol. 11, 1998.
- Phillip A. Braun, Daniel B. Nelson, Alain M. Sunier, “Good News, Bad News Volatility, and Betas,” *Journal of Finance* 50, 1995.
- Bromberg & Lowenfels, Securities Fraud and Commodities Fraud, § 8.6 (Aug. 1988).
- Eugene Fama, “Efficient Capital Markets: A Review of Theory and Empirical Work,” *Journal of Finance* Vol. 25, 1970.
- Frank J. Fabozzi, Franco Modigliani, Frank J. Jones, “Foundations of Financial Markets and Institutions,” Prentice Hall, Fourth Edition, 2010, Chapter 18 – Appendix 1.
- William H. Greene, “Econometric Analysis, Sixth Edition” Prentice Hall, 2008.
- Gay Hatfield and Carol Lancaster, “The Signaling Effects of Bank Loan—Loss Reserve Additions.” *Journal of Financial and Strategic Decisions* Vol. 13 Number 1 Spring 2000.
- Roger D. Huang, Hans R. Stall, “Dealer versus auction markets: A paired comparison of execution costs on NASDAQ and the NYSE,” *Journal of Financial Economics* Vol. 41, 1996.
- Michael C. Jensen, “Some Anomalous Evidence Regarding Market Efficiency,” *Journal of Financial Economics* Vol. 6 Nos. 2/3, 1978.
- William F. Sharpe, Gordon J. Alexander, Jeffery V. Bailey, “Investments,” Prentice Hall, Fifth Edition.
- David I. Tabak and Frederick C. Dunbar, “Materiality and Magnitude: Event Studies in the Courtroom,” Ch. 19, *Litigation Services Handbook, The Role of the Financial Expert*, Third Edition, 2001.
- Randall S. Thomas and James F. Cotter, “Measuring Securities Market Efficiency in the Regulatory Setting.” *Law and Contemporary Problems* Vol. 63, 2000.

Other Documents

- “Opening Statement of Senator Carl Levin (D-Mich) Before the U. S. Senate Permanent Subcommittee on Investigations on Wall Street and The Financial Crisis: The Role of High Risk Home Loans,” dated April 13, 2010 at page 9.
- OTC Bulletin Board’s (OTCBB) website;
<https://www.otcbb.com/aboutOTCBB/overview.stm#abouthistory>.
- RSS Specifications; <http://www.rss-specifications.com/>.

APPENDIX B

CHAD W. COFFMAN, CFA

Winnemac Consulting, L.L.C.
One South Wacker Drive, Suite 3800
Chicago, IL 60606
Office: (312) 752-3329
Mobile: (815) 382-0092
Email: coffman@winnemac.com

EMPLOYMENT:

Winnemac Consulting, LLC

President (2008 - Current)

Winnemac Consulting is a Chicago-based firm that specializes in the application of economics, finance, statistics, and valuation principles to questions that arise in a variety of contexts, including litigation. Principals of Winnemac Consulting have extensive experience in high-profile securities, antitrust, labor, and intellectual property matters.

Chicago Partners, LLC

Principal (2007 – 2008)
Vice President (2003 – 2007)
Director (2000 – 2003)
Senior Associate (1999 – 2000)
Associate (1997 – 1999)
Research Analyst (1995 – 1997)

EDUCATION:

CFA Chartered Financial Analyst, 2003

M.P.P. University of Chicago, 1997
Masters of Public Policy, with a focus in economics including coursework in Finance, Labor Economics, Econometrics, and Regulation

B.A. Knox College, 1995
Economics, Magna Cum Laude
Graduated with College Honors for Paper entitled “Increasing Efficiency in Water Supply Pricing: Using Galesburg, Illinois as a Case Study”
Dean's List Every Term
Phi Beta Kappa

SELECTED EXPERIENCE:Experience in Securities and Valuation Cases:

- Expert consultant for Citigroup/Salomon Smith Barney in various matters related to Jack Grubman's analyst coverage of various companies. This included supporting multiple experts at high-profile arbitration where plaintiffs claimed \$900 million in damages. Arbitration panel returned a verdict in favor of client (reported in Wall Street Journal).
- Expert damages consultant in dozens of 10b-5 and Section 11 securities litigation, including, but not limited to:
 - WorldCom
 - Enron
 - Tyco
 - Parmalat
 - Sears
 - Atlas Air
 - UnumProvident
 - XL Capital
 - Household Finance/HSBC
 - Dynegy
 - Anicom
- Expert consultant in multiple cases involving market timing and/or late-trading. Developed models to estimate market timing profits.
- Served as neutral expert for mediator (Judge Daniel Weinstein) in multiple 10(b)-5 securities cases as well as futures manipulation case.
- Expert consultant for the American Stock Exchange (AMEX) where I evaluated issues related to multiple listing of options. Performed econometric analysis of various measures of option spread using tens of millions of trades.
- Expert consultant to large hedge fund that owned bonds in WorldCom. Responsible for directing analysis that led to favorable settlement of their claim in the bankruptcy.
- Performed detailed audit of CDO valuation models employed by a banking institution to satisfy regulators – non-litigation matter.
- Played significant role in highly-publicized internal accounting investigations of two Fortune 500 companies. One led to restatement of previously issued financial statements and both involved SEC investigations.
- Testifying expert in the matter of Kuo, Steven Wu v. Xceedium Inc, Supreme Court of New York, County of New York, Index No. 06-100836. Filed report re: the fair value of Mr. Kuo's shares. Case settled at trial.

- Testifying expert in the matter of Pallas, Dennis H. v. BPRS/Chestnut Venture Limited Partnership and Gerald Nudo, Circuit Court of Cook County, Illinois, County Department, Chancery Division. Filed report re: fair value of Pallas shares. Report: July 9, 2008. Deposition August 6, 2008. Court Testimony February 11, 2009.
- Loss Causation expert in Re: Washington Mutual Securities Litigation, United States District Court, Western District of Washington, at Seattle, No. 2:08-md-1919 MJP, Lead Case No. C08-387 MJP. Filed declaration August 5, 2008 re: plaintiffs' loss causation theory.
- Testifying expert in Re: DVI Securities Litigation, United States District Court, Eastern District of Pennsylvania, 2:03-CV-05336-LDD. Filed expert report October 1, 2008 re: damages. Filed rebuttal expert report December 17, 2008. Deposition January 27, 2009.
- Testifying expert in Syrtech Corporation v. Lifetime Brands, Inc. and Syrtech Acquisition Corporation, Supreme Court of the State of New York, Index No. 603568/2007. Filed expert report October 31, 2008.
- Expert declaration in Jacksonville Police and Fire Pension Fund, et al. v. AIG, Inc., et al., No. 08-CV-4772-LTS; James Connolly, et al. v. AIG, Inc., et al., No. 08-CV-5072-LTS; Maine Public Employees Retirement System, et al. v. AIG, Inc., et al., No. 08-CV-5464-LTS; and Ontario Teachers' Pension Plan Board, et al. v. AIG, Inc., et al., No. 08-CV-5560-LTS, United States District Court, Southern District of New York. Filed declaration February 18, 2009.
- Expert declaration in Re: Connetics Securities Litigation, Case No. C 07-02940 SI, United States District Court for the Northern District of California, San Francisco Division. Filed declaration March 16, 2009.
- Testifying expert in Re: Boston Scientific Securities Litigation, Master File No. 1:05-cv-11934 (DPW), United States District Court District of Massachusetts. Filed expert report August 6th, 2009. Deposition October 6, 2009.
- Expert declaration in Louisiana Sheriffs' Pension and Relief Fund, et al. v. Merrill Lynch & Co, Inc., et al., Case Number 08-cv-09063, United States District Court, Southern District of New York. Filed declaration October, 2009.
- Testifying expert in Henry J. Wojtunik v. Joseph P. Kealy, John F. Kealy, Jerry A. Kleven, Richard J. Seminoff, John P. Stephen, C. James Jensen, John P. Morbeck, Terry W. Beiriger, and Anthony T. Baumann. Filed expert report on January 25, 2010.
- Expert report in Re: REFCO Inc. Securities Litigation, Case No. 05 Civ. 8626 (GEL), United States District Court for the Southern District of New York. Filed expert report February 2, 2010. Filed rebuttal expert report March 12, 2010. Deposition March 26, 2010.
- Expert declaration in Re: New Century Securities Litigation, Case No. 07-cv-00931-DDP, United States District Court Central District of California. Filed declaration March 11, 2010.
- Expert report Louisiana Municipal Police Employees' Retirement System, et. al. v. Tilman J. Fertitta, Steven L. Scheinthal, Kenneth Brimmer, Michael S. Chadwick, Michael Richmond, Joe Max Taylor, Fertitta Holdings, Inc., Fertitta Acquisition Co., Richard Liem, Fertitta Group, Inc. and

Fertitta Merger Co, C.A. No. 4339-VCL, Court of Chancery of the State of Delaware. Filed expert report April 23, 2010.

Experience in Labor Economics and Discrimination-Related Cases:

- Expert consultant for Cargill in class action race discrimination matter in which class certification was defeated.
- Expert consultant for 3M in class action age discrimination matter.
- Expert consultant for Wal-Mart in class action race discrimination matter.
- Expert consultant for Novartis regarding various labor related issues.
- Expert consultant on various other significant confidential labor economics matters in which there were class action allegations related to race and gender.
- Expert consultant for large insurance company related to litigation and potential regulation resulting from the use of credit scores in the insurance underwriting process.
- Testifying expert in Shirley Cohens v. William Henderson, Postmaster General, United States Postal Service. United States District Court for the District of Columbia. C.A 1:00CV-1834 (TFH) – Filed report re: lost wages and benefits.
- Testifying expert in Richard Akins v. NCR Corporation. Before the American Arbitration Association – Filed report re: lost wages.

Selected Experience in Antitrust, General Damages, and Other Matters:

- Expert consultant in high-profile antitrust matters in the computer and credit card industries.
- Expert consultant for plaintiffs in re: Brand Name Drugs Litigation. Responsible for managing, maintaining and analyzing data totaling over one billion records in one of the largest antitrust cases ever filed in the Federal Courts.
- Served as neutral expert for mediator (Judge Daniel Weinstein) in allocating a settlement in an antitrust matter.
- Expert consultant in Seminole County and Martin County absentee ballot litigation during disputed presidential election of 2000.
- Expert consultant for sub-prime lending institution to determine effect of alternative loan amortization and late fee policies on over 20,000 customers of a sub-prime lending institution. Case settled favorably at trial immediately after the testifying expert presented an analysis I developed showing fundamental flaws in opposing experts calculations.

TEACHING EXPERIENCE:

KNOX COLLEGE, Teaching Assistant - Statistics, (1995)
KNOX COLLEGE, Tutor in Mathematics, (1992 - 1993)

PUBLICATIONS:

Coffman, Chad and Mary Gregson, "Railroad Construction and Land Value." *Journal of Real Estate and Finance*, 16:2, 191-204 (1998).

Coffman, Chad, Tara O'Neil, and Brian Starr "An Empirical Analysis of the Impact of Legacy Preferences on Alumni Giving at Top Universities." (Forthcoming).

PROFESSIONAL AFFILIATIONS:

Associate Member CFA Society of Chicago
Associate Member CFA Institute
Phi Beta Kappa

AWARDS:

1994 Ford Fellowship Recipient for Summer Research.
1993 Arnold Prize for Best Research Proposal.
1995 Knox College Economics Department Award.

PERSONAL ACTIVITIES:

Pro bono consulting for Cook County State's Attorney's Office

APPENDIX C
News Articles During the Class Period
Samples From Each Day Coded as Having WaMu Related News

Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
10/20/2005	Business Wire	Washington Mutual Announces Third Quarter 2005 Earnings; Diluted EPS Increased 21 Percent; Board of Directors Increases Cash Dividend	SEATTLE - (BUSINESS WIRE) - Oct. 19, 2005 - Washington Mutual, Inc. (NYSE:WM) today announced third quarter 2005 net income of \$821 million, or \$0.92 per diluted share, up 21 percent on a per share basis when compared with net income of			
10/24/2005	PR Newswire (U.S.)	Citibank Enjoys Largest Market Share Among Major U.S. Banks But Washington Mutual Appears to Have Most Successfully Set Itself Apart From...	CHICAGO, Oct. 24 /PRNewswire/ -- Citibank and Bank of America enjoy the greatest market share of U.S. financial institutions, according to a new study released by Socratic Technologies. One-third of Americans report being a customer of			
10/27/2005	Business Wire	Fitch Rates WaMu's \$1.38B Mortgage Pass-Through Cfts Series 2005-AR14	NEW YORK - (BUSINESS WIRE) - Oct. 27, 2005 - Washington Mutual Mortgage Securities Corp.'s (WaMu) mortgage pass-through certificates, series 2005-AR14, are rated by Fitch Ratings as follows:			
11/8/2005	Business Wire	Washington Mutual Announces Final Results of Tender Offer for 4% Convertible Senior Notes due May 15, 2008	SEATTLE - (BUSINESS WIRE) - Nov. 7, 2005 - New American Capital, Inc. (the "Company"), a wholly owned subsidiary of Washington Mutual, Inc. (NYSE:WM), announced today the final results of its previously announced cash tender offer for any			
11/9/2005	Dow Jones News Service	Washington Mutual To End Surcharge-Free ATMs	NEW YORK (Dow Jones)--Washington Mutual Inc. (WM), which has touted its surcharge-free ATMs as a way to lure new customers, is abandoning the program next week.	Business Wire	Fitch Affirms 2 RMBS Ratings from 2 Washington Mutual Securitizations	NEW YORK - (BUSINESS WIRE) - Nov. 8, 2005 - Fitch Ratings affirms the following Washington Mutual residential mortgage-backed certificates:
11/10/2005	American Banker	Wamu to Charge Noncustomer ATM Fee	Wamu said Wednesday that next week it would begin charging a fee of \$1.50 or \$2, depending on the market, at its more than 3,500 machines, and that the shift is aimed at improving service. Ms. Hutchinson said the new fees would only "drive modest reven			
11/16/2005	Seattle Post-Intelligencer	WaMu Unveils Growth Plan; It Eyes Hiring Employees, Luring More Home Loans	Washington Mutual Inc. says it plans to add employees and market share in its home-loan business next year, even as it expects a slowdown in the housing market nationally.			
11/18/2005	American Banker	Why Some Have Yet to Detail Bankruptcy Impact	Washington Mutual has not quantified the effect, but Joe Saunders, the president of its cards unit, said in an investor presentation Tuesday that the jump in personal bankruptcies would have "a modest impact" on fourth-quarter chargeoffs			
11/22/2005	Business Wire	Fitch Affirms Countrywide & Washington Mutual, Assigns 'A' to Countrywide Bank	NEW YORK - (BUSINESS WIRE) - Nov. 21, 2005 - Fitch Ratings has affirmed the ratings of Countrywide Financial Corp. and Washington Mutual, Inc. and their subsidiaries. The Rating Outlook is Stable for both companies. Concurrent with the	Reuters News	RESEARCH ALERT-Citigroup initiates mortgage finance firms	Nov 22 (Reuters) - Citigroup has initiated coverage of specialty/mortgage finance companies, rating American Express Co. , SLM Corp. , Freddie Mac and Countrywide Financial Corp. on "buy."

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
11/23/2005	Associated Press Newswires	Lenders Push Envelope to Get More Biz	NEW YORK (AP) - With the housing market cooling and loan demand shrinking, banks and other lenders are turning to nontraditional and sometimes riskier mortgages to bring in more business and make up their lost revenue. . . .			
12/12/2005	Business Wire	Fitch Ratings Upgrades 11 & Affirms 65 WAMU RMBS Ratings from 21 Securitized	NEW YORK - (BUSINESS WIRE) - Dec. 12, 2005 - Fitch Ratings has taken rating actions on the following Washington Mutual (WAMU) residential mortgage-backed pass-through certificates:			
12/13/2005	The Baton Rouge Advocate	Mortgage holders give storm victims a break	Two of the countrys largest mortgage holding banks, Wells Fargo & Co. and Washington Mutual Inc., are giving victims of hurricanes Katrina and Rita an extra three months to start making payments on their home loans. Wells Fargo, based in San Francisco,			
12/22/2005	Business Wire	Washington Mutual Realigns Prime and Subprime Residential Lending Under One Management Team; Move Part of Ongoing Efforts to Serve Customers...	SEATTLE - (BUSINESS WIRE) - Dec. 21, 2005 - In a move that continues efforts to better serve home lending customers and improve operating efficiencies, Washington Mutual, Inc. (NYSE:WM) announced today its plans to align its single family	Associated Press Newswires	WaMu commercial group president leaving company	SEATTLE (AP) - The president of Washington Mutual Inc.'s commercial group is leaving the savings and loan next year, the company said Wednesday, as it announced plans to move its single-family residential mortgage lending units under one
1/6/2006	Business Wire	Washington Mutual Fourth Quarter and Year-End 2005 Earnings Release and Conference Call	SEATTLE - (BUSINESS WIRE) - Jan. 5, 2006 - Washington Mutual, Inc. (NYSE:WM) will release the company's fourth quarter and year-end 2005 earnings on Wednesday, January 18, 2006, following the close of the New York Stock Exchange.			
1/19/2006	Los Angeles Times	Bank Jobs Head to Texas; Washington Mutual says it will shift 1,000 posts from Chatsworth to San Antonio and Costa Rica.	Washington Mutual Inc. on Wednesday told 1,000 employees who work at a call center in Chatsworth that it would move their jobs to Texas and Costa Rica to cut costs. The positions will be phased out starting in two months, with some employees offered wo	Business Wire	Washington Mutual Announces Fourth Quarter and 2005 Earnings; Diluted EPS Increased 12 Percent for the Quarter and 14 Percent for the Year...	SEATTLE - (BUSINESS WIRE) - Jan. 18, 2006 - Washington Mutual, Inc. (NYSE:WM) today announced fourth quarter 2005 net income of \$865 million, or \$0.85 per diluted share, up 12 percent on a per share basis when compared with net income of
1/23/2006	Business Wire	Fitch Affirms 4 Washington Mutual RMBS Ratings from 4 Securitized	NEW YORK - (BUSINESS WIRE) - Jan. 23, 2006 - For the transactions below, Fitch rated only the A classes at 'AAA'. The transactions have been reviewed and Fitch Ratings has affirmed four classes from the following Washington Mutual			
1/24/2006	Seattle Post-Intelligencer	REGIONAL NEWS: WAMU'S TOP EXECUTIVES IN LINE FOR BIGGER BONUSSES	Washington Mutual Inc., the biggest U.S. savings and loan, increased the amount of cash bonuses that Chairman and Chief Executive Kerry Killinger and other top executives can receive.			
1/30/2006	Reuters News	Washington Mutual Bank sells \$1 bln floating-rate notes	NEW YORK, Jan 30 (Reuters) - Washington Mutual Bank, a unit of Washington Mutual Inc. , sold \$1 billion of five-year floating-rate bank notes, joint lead manager UBS Securities said on Monday.			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
2/6/2006	Business Wire	Washington Mutual Continues to Open New Stores Nationwide; Washington Mutual's Patented Retail Banking Concept Recognized Nationally and Internationally	SEATTLE - (BUSINESS WIRE) - Feb. 6, 2006 - Washington Mutual, Inc. (NYSE:WM), one of America's leading retailers of financial services, announced that it is targeting to open from 150 to 200 new retail banking stores (branches) this year,			
2/13/2006	Reuters News	Washington Mutual settles NY class-action lawsuit	NEW YORK, Feb 13 (Reuters) - Washington Mutual Inc. , the largest U.S. savings and loan, agreed to pay \$350,000 to settle a New York class-action lawsuit accusing it of sending misleading debt collection letters. . . .			
2/16/2006	Reuters News	UPDATE 1-WaMu to cut 2,500 jobs as housing market cools	(Adds details) CHICAGO, Feb 15 (Reuters) - Responding to the cooling housing market, Washington Mutual Inc. , the largest U.S. savings and loan, said on Wednesday that it was laying off 2,500 support employees in its mortgage unit. . . .	Reuters News	UPDATE 1-S&P raises outlooks on Wachovia, Wells Fargo, WaMu	(Adds analyst comment, byline; updates stock and bond prices) NEW YORK, Feb 16 (Reuters) - Standard & Poor's on Thursday raised its ratings outlook for Wachovia Corp. , Wells Fargo & Co. and Washington Mutual Inc. to "positive"
2/22/2006	Moody's Investors Service Press Release	MOODY'S ASSIGNS Baa2 TO THE EXCHANGEABLE NON-CUMULATIVE PREFERRED SECURITIES ISSUED BY WASHINGTON MUTUAL PREFERRED FUNDING (CAYMAN) I LT...	Moody's Investors Service has assigned Baa2 ratings to the Exchangeable Perpetual Non-cumulative Preferred Securities being issued by Washington Mutual Preferred Funding (Cayman) Ltd. and Washington Mutual Preferred Funding Trust I. The			
2/23/2006	Dow Jones Capital Markets Report	Washington Mutual To Sell At Least \$1B Of Hybrids	NEW YORK (Dow Jones)--Keeping in line with the recent burst of hybrid offerings - securities that carry both debt and stock features - mortgage provider Washington Mutual (WM) is in market with a deal of its own. . . .			
2/24/2006	Reuters News	Washington Mutual launches \$2 bln hybrid sale	NEW YORK, Feb 24 (Reuters) - Washington Mutual Preferred Funding on Friday launched a \$2 billion two-part sale of hybrid securities, expected to price later on Friday, a market source said. . . .			
3/1/2006	Dow Jones Capital Markets Report	Buyers' Remorse Sets In On Washington Mutual Hybrids	NEW YORK (Dow Jones)--Buyers' remorse appears to have kicked in to the investment-grade corporate bond market on Tuesday as risk premiums on Washington Mutual's (WM) recently priced hybrid securities traded wider. . . .			
3/6/2006	Reuters News	Washington Mutual CEO awarded \$13.7 mln, options	NEW YORK, March 3 (Reuters) - Washington Mutual Inc. , the largest U.S. savings and loan, on Friday said it increased chief executive Kerry Killinger's compensation 12 percent in 2005 to \$13.7 million, and awarded him stock options that			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
3/13/2006	Business Wire	Washington Mutual Ups the Ante with New Free Checking Account; Consumers Win Big with Free ATM Cash Withdrawals, a Free Overdraft/NSF Fee Waiver Each Year, Free Checks for Life, Cash Back for Debit Card Use, Free Outbound Wires and More	Today WaMu announced it has redefined every consumer's must-have product by introducing a new free checking product that combines an unprecedented bundle of features that all add up to convenience and value never before seen in any checking account. T			
4/5/2006	Business Wire	Fitch Affirms Washington Mutual's Residential Master Servicer Rating	NEW YORK - (BUSINESS WIRE) - April 5, 2006 - Fitch Ratings affirms Washington Mutual Mortgage Securities Corp.'s (WMMSC) 'RMS2+' residential master servicer rating. The rating is based on the company's ability to effectively oversee and			
4/6/2006	San Antonio Express	Washington Mutual boosting its staff by 200	Washington Mutual is continuing to expand its regional operations center in North San Antonio by adding 200 full-and part-time workers this month. Most of the new hires will be "telephone bankers" who are paid \$10.35 an hour to start, company spokesman			
4/18/2006	Dow Jones News Service	Washington Mutual Reports 1Q 2006 EPS Of 98 Cents; Bd Of Directors Increases Cash Div To 51 Cents; WaMu Free Checking(TM) Account Fuels...	Dow Jones Newswires Washington Mutual Inc. (WM) said late Tuesday that first-quarter net income came in at \$985 million, or 98 cents a share, up 9% from a year earlier when the mortgage lender earned \$902 million, or \$1.01 a share on fewer			
4/19/2006	Business Wire	Washington Mutual Comments on Early Release of Earnings	SEATTLE - (BUSINESS WIRE) - April 18, 2006 - Washington Mutual, Inc. (NYSE:WM) today reported first quarter 2006 earnings at 3:46 p.m. EDT, prior to the close of the market following the inadvertent and unauthorized release of the first			
4/24/2006	Business Wire	Washington Mutual to Acquire Commercial Capital Bancorp, Inc.; Deal Strengthens WaMu's Commercial and Retail Banking Businesses	SEATTLE & IRVINE, Calif. - (BUSINESS WIRE) - April 23, 2006 - Washington Mutual, Inc. (NYSE:WM), and Commercial Capital Bancorp, Inc. (NASDAQ:CCBI) announced that they have entered into a definitive merger agreement in which Washington			
4/25/2006	Reuters News	RESEARCH ALERT-Wedbush cuts Commercial Capital Bancorp to "hold"	April 25 (Reuters) - COMMERCIAL CAPITAL BANCORP INC. Current Prior Rating Hold Strong buy Price target \$16 \$20			
4/27/2006	Reuters News	Washington Mutual Bank sells \$1 bln 3-yr floaters	NEW YORK, April 27 (Reuters) - Washington Mutual Bank on Thursday sold \$1 billion of three-year floating-rate notes, said joint lead manager Detusche Bank Securities.			
5/2/2006	Business Wire	Fitch Upgrades 68 & Affirms 108 WAMU RMBS Ratings from 107 Securitized	NEW YORK - (BUSINESS WIRE) - May 1, 2006 - Fitch Ratings has taken rating actions on the following Washington Mutual (WAMU) residential mortgage-backed certificates:			

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News Articles During the Class Period
Samples From Each Day Coded as Having WaMu Related News

Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
5/8/2006	Dow Jones News Service	Mortgage Cos. Up After Wachovia Bid For Golden West Fincl	NEW YORK (Dow Jones)--Shares of several mortgage companies rose in the wake of Wachovia Corp.'s (WB) roughly \$26 billion bid for Golden West Financial Corp. (GDW),			
5/15/2006	Reuters News	Washington Mutual Bank launches \$1.25 bln debt sale	NEW YORK, May 15 (Reuters) - Washington Mutual Bank, a unit of Washington Mutual Inc. , launched a three-part debt deal with pricing expected later on Monday, joint lead manager Barclays Capital said. . . .			
5/16/2006	Business Wire	Washington Mutual Enhances Home Equity Line of Credit Product to Provide Greater Payment Flexibility; Allows Consumers to Make Interest Only...	SEATTLE - (BUSINESS WIRE) - May 16, 2006 - In a move to provide greater payment flexibility to consumers, Washington Mutual (NYSE:WM) is introducing a new enhancement to its WaMu Equity Plus(TM) account. The new feature gives customers with			
5/24/2006	Associated Press Newswires	Washington Mutual laying off 1,400 in Washington, Florida	SEATTLE (AP) - Washington Mutual Inc., the nation's largest savings and loan, notified 1,400 workers in Washington and Florida on Tuesday that they will lose their jobs as part of the company's cost-saving strategy. . . .			
6/6/2006	PR Newswire (U.S.)	Washington Mutual Sued for Alleged Labor Law Violations, According to Nichols Kaster & Anderson, PLLP and Outten & Golden LLP	NEW YORK, June 6 /PRNewswire/ -- Washington Mutual Inc. faces allegations by former employees in New York, California and Illinois that the company violated labor laws by failing to pay overtime wages and the federal minimum wage of \$5.15			
6/7/2006	Moody's Investors Service Press Release	MOODY'S ASSIGNS WASHINGTON MUTUAL AN SQ2+ RATING AS A MASTER SERVICER OF RESIDENTIAL MORTGAGE LOANS	US RESIDENTIAL MORTGAGE SERVICER RATING ACTIONS Moody's Investors Service has assigned Washington Mutual Mortgage Securities Corp. ("Washington Mutual"), a wholly-owned subsidiary of Washington Mutual Bank, an SQ2+ rating as a master			
6/13/2006	Reuters News	Washington Mutual Bank launches \$1 bln 2-part note sale	NEW YORK, June 13 (Reuters) - Washington Mutual Bank launched its \$1 billion two-part note sale on Tuesday, said joint lead manager J.P. Morgan Chase. . . .			
6/16/2006	Business Wire	Fitch Rates Washington Mutual Master Note Trust WaMu Card Series 2006-A2 'AAA'	NEW YORK - (BUSINESS WIRE) - June 15, 2006 - Washington Mutual Master Note Trust's \$750 million class A 2006-A2 floating-rate notes (formerly Provident Master Note Trust ProvidentSeries) are rated 'AAA' by Fitch Ratings. Class A noteholders			
6/27/2006	Dow Jones Corporate Filings Alert	Commercial Capital Bancorp Signs MOU With Purported Hldr	WASHINGTON (Dow Jones)--Commercial Capital Bancorp Inc.(CCBI) said Monday that it entered into a stipulation of settlement with a shareholder who filed a purported class action against the company's merger with Washington Mutual Inc. (WM)			

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News Articles During the Class Period
Samples From Each Day Coded as Having WaMu Related News

Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
6/29/2006	Dow Jones Corporate Filings Alert	Washington Mutual Amends Bylaws, Reduces Bd Size	WASHINGTON (Dow Jones)--Washington Mutual Inc. (WM) said on Wednesday that it amended its bylaws to reduce the size of its board and to eliminate the classification provisions.			
7/3/2006	Business Wire	Washington Mutual, Inc. Announces the Convertibility of New American Capital, Inc. 4% Convertible Senior Notes Due May 15, 2008	SEATTLE - (BUSINESS WIRE) - July 3, 2006 - Washington Mutual, Inc. (NYSE:WM) today announced that New American Capital, Inc.'s 4% Convertible Notes due May 15, 2008 (the "Notes") will be convertible into shares of Washington Mutual common			
7/12/2006	Business Wire	Fitch Affirms Washington Mutual's CMBS Servicer Ratings	CHICAGO - (BUSINESS WIRE) - July 12, 2006 - Fitch Ratings affirms Washington Mutual Bank's (WMB) CMBS servicer ratings as follows: -- Primary servicer 'CPS2';			
7/13/2006	Associated Press Newswires	Washington Mutual cuts 900 jobs	SEATTLE (AP) - Washington Mutual Inc. said Thursday it is cutting another 900 jobs to save money, and outsourcing some of that work. The cuts are the latest in a series of major layoffs at Washington Mutual, which has struggled with			
7/18/2006	Associated Press Newswires	Earnings Preview: Washington Mutual	NEW YORK (AP) - Washington Mutual & Co. reports second-quarter earnings on Wednesday after the market closes. The following is a summary of key developments and analyst opinion related to the period.			
7/20/2006	Associated Press Newswires	Washington Mutual posts lower 2Q earnings because of restructuring charges	SEATTLE (AP) - Washington Mutual Inc. said second-quarter earnings fell sharply because of two large one-time charges associated with restructuring moves, but excluding those items the company narrowly beat Wall Street estimates.	Reuters News	Washington Mutual to offshore 1,500 more jobs	NEW YORK, July 19 (Reuters) - Washington Mutual Inc. plans by the end of 2007 to have the equivalent of 7,500 full-time employees outside the United States, up from its prior forecast of 6,000, to help save money, Chief Executive Kerry
7/24/2006	National Mortgage News	WaMu Cutting More Mortgage Jobs2	Washington Mutual, which slashed its mortgage workforce by 19% in February, has cut another 900 jobs overall. About 350 of the new layoffs are mortgage related, a company spokeswoman told National Mortgage News. Most of the mortgage cuts are tied to t			
7/25/2006	Business Wire	Commercial Capital Bancorp, Inc. Shareholders Approve the Plan of Merger and Acquisition by Washington Mutual, Inc.	IRVINE, Calif. - (BUSINESS WIRE) - July 25, 2006 - Commercial Capital Bancorp, Inc. (the "Company") (NASDAQ:CCBI) announced today that, at the special meeting of stockholders held today, the Company's shareholders approved and adopted the			
7/26/2006	Dow Jones News Service	The Principal Fincl Group Announces Pact To Buy Leading Mutual Fund Manager, WM Advisors; Acquisition Positions The Principal For Further...	Corrected July 25, 2006 17:05 ET (21:05 GMT) [07-25-06 1704ET] By David Enrich Of DOW JONES NEWSWIRES NEW YORK (Dow Jones)--Washington Mutual Inc. (WM) agreed Tuesday to sell its asset-management arm to Principal Financial			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
8/10/2006	Reuters News	Washington Mutual cuts \$337 mln retained earnings	Washington Mutual Inc. , the largest U.S. savings and loan, on Thursday said it has reduced retained earnings by \$337 million after reviewing its income tax accounts. In a U.S. Securities and Exchange Commission filing, the Seattle-based thrift said th			
8/14/2006	National Mortgage News	Analyst Stands by WaMu	Investors reacted coolly to Washington Mutual's second-quarter earnings data, but an analyst at Friedman Billings Ramsey has maintained its "outperform" rating on the company's stock. Analyst Paul Miller said that despite "noisy" second-quarter results			
8/15/2006	Dow Jones Business News	UPDATE: WaMu, Wells Fargo Add Credit Risk As Housing Slows	Amid concerns about the housing market and consumers, Washington Mutual and Wells Fargo on Monday said they remain confident enough about credit quality to boost their offerings of riskier loans such as subprime mortgages and home equity loans or to se			
8/24/2006	Dow Jones News Service	OTS Approves WaMu Acquisition Of Commercial Capital Bancorp, Inc.	DOW JONES NEWSWIRES The Office of Thrift Supervision on Wednesday approved the acquisition of Commercial Capital Bancorp Inc. (CCBI) by Washington Mutual Inc. (WM).			
8/25/2006	Reuters News	Washington Mutual plans senior euro FRN - lead	Washington Mutual Bank plans to issue a senior euro-denominated floating-rate note, an official at one of the banks managing the sale said on Friday. Barclays Capital and UBS will manage the deal, which is expected to be launched in the near future, t			
9/5/2006	Reuters News	UPDATE 1-Washington Mutual to sell first U.S. covered bonds	(Updates size of market; adds Washington Mutual rating, details on other banks) NEW YORK, Sept 5 (Reuters) - Washington Mutual Inc., the U.S.' third largest lender, will become the first bank in the country to tap the growing covered-bond			
9/8/2006	Reuters News	UPDATE 1-Washington Mutual eyes fewer one-family home loans	(Adds CEO interview, analyst comment) NEW YORK, Sept 7 (Reuters) - Washington Mutual Inc. said on Thursday it expects to cut back on loans to fund single-family home purchases and shift toward higher-yielding, riskier assets despite			
9/12/2006	Moody's Investors Service Press Release	Moody's Rates Two New Issuances From the Washington Mutual Master Note Trust Aa2 and Baa2	\$450 million of Asset-Backed Securities Rated. Moody's Investors Service assigned ratings of Aa2 and Baa2 to the Class 2006-M1 and Class 2006-C2 Notes, respectively, issued from the Washington Mutual Master Note Trust.			
9/20/2006	Reuters News	WaMu sells debut U.S. covered bond -leads	LONDON, Sept 20 (Reuters) - Seattle-based Washington Mutual Inc. sold a debut 4 billion euro (\$5.06 billion) covered bond on Wednesday, the lead managers said, becoming the first U.S. issuer to tap the 1.7-trillion-euro covered bond market.			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
9/21/2006	Dow Jones News Service	WaMu Exec: 'Very Difficult' Bank Environment To Continue	By Nick Godt Washington Mutual's (WM) chief operating officer, Steve Rotella, said Wednesday that the current environment in the banking industry is "difficult" and is expected to remain "very difficult" on the revenue side for			
9/28/2006	Reuters News	Washington Mutual may sell more covered bonds soon	NEW YORK, Sept 27 (Reuters) - Washington Mutual, the third-biggest U.S. mortgage lender, will tap the 1.7 trillion euro covered bond market for a second time as early as next quarter, Treasurer Robert Williams said on Wednesday.			
10/2/2006	Business Wire	WaMu Completes Acquisition of Commercial Capital Bancorp, Inc.	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM), today announced the company has completed the acquisition of Commercial Capital Bancorp, Inc. in a cash transaction worth approximately \$983 million in aggregate. Commercial			
10/4/2006	Business Wire	Washington Mutual Third Quarter 2006 Earnings Release and Conference Call	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM) will release the company's third quarter 2006 earnings on Wednesday, October 18, 2006, following the close of the New York Stock Exchange.			
10/5/2006	Reuters News	RESEARCH ALERT-Prudential initiates Washington Mutual	Oct 5 (Reuters) - Prudential Equity Group initiated coverage of mortgage lender Washington Mutual Inc. with an "underweight" rating and a price target of \$45.	ociated Press News	Washington Mutual's new strategy raises credit risk	NEW YORK (AP) - Washington Mutual Inc.'s efforts to spice up its home-loan business raise the question of whether the company is trading interest-rate risk for too much credit risk.
10/11/2006	Reuters News	UPDATE 1-RESEARCH ALERT-Morgan Stanley raises Washington Mutual	(Adds price target, changes source) Oct 11 (Reuters) - Morgan Stanley raised its rating on mortgage lender Washington Mutual Inc. to "equal weight" from "underweight."			
10/18/2006	Reuters News	Washington Mutual unit sale gets US antitrust nod	WASHINGTON, Oct 18 (Reuters) - U.S. antitrust authorities said on Wednesday they approved plans by Washington Mutual Inc. , the largest U.S. savings and loan, to sell its WM Advisors Inc. asset management unit to Principal Financial Group			
10/19/2006	Dow Jones News Service	UPDATE: Washington Mutual 3Q Net Down, Missing Views	SEATTLE (AP)--Washington Mutual Inc. said its third-quarter profits slid Wednesday as the company continued broad efforts to cut costs. The results widely missed Wall Street's expectations.	ow Jones News Serv	Washington Mutual Reports 3Q EPS Of 77 C - Results Included Charges Associated With The Sale Of Mortgage Servicing Rights And Efficiency...	DOW JONES NEWSWIREs Washington Mutual Inc. (WM) on Wednesday said third-quarter profit fell 8.8% as the company took a combined \$64 million, or 7 cents a share, in after-tax charges.
11/3/2006	Business Wire	Fitch Affirms Washington Mutual Bank Credit Card Seller/Service Rating	NEW YORK - (BUSINESS WIRE) - Fitch Ratings affirms Washington Mutual Bank's (WMB) ABS Seller/Service rating for credit card origination and servicing of 'ABPS/S 3+' (rating was originally assigned to Provident National Bank). The rating is			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
11/13/2006	Associated Press Newswires	Washington Mutual to pay \$47M settlement	SEATTLE (AP) - Washington Mutual Inc., the nation's largest thrift bank, said Monday it agreed to pay banking and financial services company Comerica Inc. \$47 million to settle a lawsuit against Commercial Capital Bancorp Inc., which it			
11/14/2006	Reuters News	UPDATE 3-Washington Mutual, Comerica settle Calif. lawsuit	(Adds details, paragraphs 3-4, 8) NEW YORK, Nov 13 (Reuters) - Washington Mutual Inc. , the largest U.S. savings and loan, paid \$47 million to Comerica Inc. to settle litigation over the defection of about two dozen Comerica employees,			
11/17/2006	Business Wire	Fitch Upgrades Washington Mutual's Alt-A and Subprime Servicer Ratings	NEW YORK - (BUSINESS WIRE) - Fitch Ratings upgrades the residential primary servicer ratings for Washington Mutual Bank (WaMu) to 'RPS2+' from 'RPS2' for subprime and Alt-A products, and affirms its 'RPS2+' residential primary servicer			
11/20/2006	Business Wire	Fitch Affirms Washington Mutual	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has affirmed the ratings of Washington Mutual, Inc. ('A'/'F1') and its primary subsidiary, Washington Mutual Bank ('A'/'F1') and other related debt. The Rating Outlook is Stable. A complete list of			
11/27/2006	Dow Jones Capital Markets Report	Washington Mutual Plans Euro Benchmark 10Yr Bond	LONDON (Dow Jones)--Washington Mutual (WM) Plans to sell a new euro-denominated 10-year bond that will have a benchmark volume, one of the lead managers said Monday.			
11/28/2006	Dow Jones Capital Markets Report	Washington Mutual Sets Final Spread On Euro Bond	LONDON (Dow Jones)--Washington Mutual (WM) has set the final spread of its upcoming euro-denominated 10-year bond at 62 basis points over mid-swaps, one of the banks lead managing the issue said Tuesday.			
12/5/2006	Regulatory News Service	Washington Mutual Bank - Issue of Debt	RNS Number:3084N Washington Mutual Bank 05 December 2006 Final Terms dated November 28, 2006 WASHINGTON MUTUAL BANK (a federally chartered savings association, chartered and operating under the United States			
12/7/2006	Moody's Investors Service Press Release	Moody's Assigned Baa2 to the Exchangeable Non-Cumulative Preferred Securities Issued by Washington Mutual Preferred Funding Trust II	Moody's Investors Service has assigned a rating of Baa2 on December 6, 2006 to the Exchangeable Perpetual Non-cumulative Preferred Securities being issued by Washington Mutual Preferred Funding Trust II.			
12/8/2006	Euroweek	WaMu wipes the slate clean with a \$500m blowout deal	Washington Mutual this week redeemed itself in the US hybrid market when it issued a blowout \$500m perpetual non-call 10 year tier one transaction. The success of the deal, led by Credit Suisse, Goldman Sachs, Lehman Brothers and Morgan Stanley, essen			

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Samples From Each Day Coded as Having WaMu Related News

Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
12/11/2006	BusinessWeek	A FAREWELL TO ARMS? NOT QUITE YET; New classes of lenders are jumping in to offer high-risk mortgages	One of the ugliest consequences of the last housing boom has been the rise of risky loans known as option ARMs. The adjustable-rate mortgages let borrowers make smaller monthly payments than they actually owe, with the shortfall getting			
12/13/2006	Reuters News	WaMu CEO sees tough '07 for mortgage industry	NEW YORK (Reuters) - Washington Mutual Inc.'s chief executive said Wednesday that he expects 2007 to be another tough year for the U.S. mortgage industry, which faces overcapacity and unsustainably low margins.			
12/18/2006	PrimeNewswire	Keller Rohrbach L.L.P. Announces Investigation on Behalf of Participants of the Washington Mutual Inc. Pension Plan	SEATTLE, Dec. 18, 2006 (PRIME NEWSWIRE) -- Keller Rohrbach L.L.P. (www.erisafraud.com) today announced that it has commenced an investigation against Washington Mutual Inc. ("WaMu") (NYSE:WM) for potential violations of the Employee	the Wall Street Journ	WaMu Whiplash: Fast Expansion Yields Problems --- Thrift Chose Some Poor Sites And Mortgage Efforts Stumble, But Rebound Plan Is in Place	THREE YEARS ago, Washington Mutual Inc. was on its way to becoming the banking industry's newest household name. The Seattle thrift was opening new retail branches at a whirlwind pace, convinced that building from scratch was a smarter way
12/22/2006	Associated Press Newswires	Washington Mutual ordered to pay whistleblower \$1.2 million	SEATTLE (AP) - Washington Mutual Inc. has been ordered to pay more than \$1 million to a whistleblower who complained of retaliation for reporting that policies were not being followed in loan processing.			
1/3/2007	Business Wire	Washington Mutual Fourth Quarter and Year-End 2006 Earnings Release and Conference Call	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM) will release the company's fourth quarter and year-end 2006 earnings on Wednesday, January 17, 2007, following the close of the New York Stock Exchange.			
1/4/2007	Reuters News	RESEARCH ALERT-CS ups price targets on ,	Jan 4 (Reuters) - Credit Suisse raised its price target on financial services company Washington Mutual Inc. to \$50 from \$43. The brokerage also raised its price targets on home-funding companies Fannie Mae and Freddie Mac to \$62 from \$55			
1/9/2007	Business Wire	Fitch Upgrades 13 & Affirms 51 WAMU RMBS Ratings from 21 Securitizations	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has taken rating actions on the following Washington Mutual (WAMU) residential mortgage-backed certificates:			
1/11/2007	Dow Jones News Service	Washington Mutual 4Q May Show Pressure From Yield Curve	By Alistair Barr Washington Mutual Inc.'s (WM) fourth-quarter results due next week may show continued pressure from the flat yield curve, while analysts will be watching earnings from Wells Fargo & Co. (WFC) for any further			
1/16/2007	Dow Jones News Service	WSJ.COM/Earnings Preview: Wash. Mutual Reports Wed.	Washington Mutual Inc. (WM) - reports Jan. 17, after the market closes After a rapid expansion, the Seattle-based thrift struggled in 2006 amid the nation's housing slowdown and continued pressure on lending margins. Profit for			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
1/18/2007	Dow Jones News Service	WaMu Reports 4Q EPS Of \$1.10 And 2006 EPS Of \$3.64	DOW JONES NEWSWIRES Washington Mutual Inc.'s (WM) fourth-quarter net income improved to \$1.06 billion, or \$1.10 a share, from a year-earlier profit of \$865 million, or 85 cents a share.			
1/24/2007	Reuters News	Washington Mutual CEO awarded \$5.97 mln stock	NEW YORK, Jan 24 (Reuters) - Washington Mutual Inc. , the largest U.S. savings and loan, awarded Chief Executive Kerry Killinger about \$5.97 million of restricted stock as part of his compensation for 2006, when a loss in its mortgage unit			
2/8/2007	Dow Jones Corporate Filings Alert	Washington Mutual Amends Bylaws, Adopts Majority Voting	Washington Mutual Inc. (WM) after Wednesday's closing bell said it had amended its bylaws to include a majority vote standard for the election of directors in uncontested elections. The banking concern said nominees for the board who don't receive a m	Reuters News	US STOCKS-Indexes slip as HSBC, New Century warn on bad loans2	U.S. stocks fell on Thursday as warnings of losses stemming from bad home loans by two of the top three U.S. subprime mortgage lenders hurt shares of home loan companies and banks like Citigroup Inc. Britain's HSBC Holdings Plc and New Century Financia
2/12/2007	Business Wire	WaMu Names Anthony F. Vuoto President of its Credit Card Business	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM) announced today that Anthony (Tony) F. Vuoto has been named president of the company's credit card business. Vuoto was also appointed to WaMu's Executive Committee and will now			
2/13/2007	Seattle Post-Intelligencer	REGIONAL NEWS: VISA INTERNATIONAL TAPS EXEC AT WAMU TO OVERSEE ITS IPO	Visa International, the largest credit-card network, named Washington Mutual Inc.'s Joseph Saunders executive chairman to oversee its transition to a public company early next year. Saunders, who headed the turnaround of card portfolios at the former F			
2/27/2007	PrimeNewswire	Keller Rohrback L.L.P. Announces Investigation of Washington Mutual, Inc. 401K Fees and Expenses	SEATTLE, Feb. 27, 2007 (PRIME NEWSWIRE) -- Keller Rohrback L.L.P. today announced that it is investigating Washington Mutual, Inc. ("WaMu" or the "Company") regarding the Washington Mutual, Inc. WaMu Savings Plan (the "Plan"). In particular			
3/5/2007	Business Wire	Finkelstein & Krinsk Announces Class Action Lawsuit Against Washington Mutual	SAN DIEGO - (BUSINESS WIRE) - Investors today (Friday) filed a class action lawsuit against Washington Mutual and its subsidiary companies alleging that it knowingly deceived retail investors by steering them to Washington Mutual's own	Reuters News	UPDATE 1-JP Morgan, B of A among banks Moody's upgrades	(Updates with analyst comment, new bond quote) NEW YORK, March 5 (Reuters) - Moody's Investors Service has raised its ratings on Bank of America, JP Morgan Chase and Washington Mutual Inc. as part of a sweeping review to include the role
3/9/2007	Dow Jones News Service	IN THE MONEY: Risky Slice of Subprime Upsets Lenders	By Steven D. Jones and Lingling Wei A Dow Jones Newswires Column NEW YORK (Dow Jones)--Subprime lenders have more than \$2 billion in residuals on the books and analysts expect up to 20% of that value may vanish in coming weeks			

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3/14/2007	Business Wire	Fitch Upgrades 1, Affirms 18 WAMU RMBS Classes from 4 Securitizations	Fitch Ratings has taken rating actions on the following Washington Mutual (WAMU) residential mortgage-backed certificates: WAMU, mortgage pass-through certificates, series 2002-AR18; Washington Mutual Mortgage (WAMMS) pass-through certificates, series			
3/15/2007	Dow Jones Business News	UPDATE: Top 10 Subprime Originators Slanted Toward West Coast	By Laura Mandaro SAN FRANCISCO (Dow Jones) -- The West is the best, sang a '60's rocker -- and that sentiment also rings true among subprime mortgage originators.	nes Corporate Filing	Washington Mutual Names Melissa Ballenger As Controller	DOW JONES NEWSWIRES Washington Mutual Inc. (WM) on Wednesday said it promoted Melissa Ballenger to the position of company controller. Ballenger, who was assistant controller, got the new position after John Woods left it to become
3/19/2007	Seattle Post-Intelligencer	REGIONAL NEWS: WAMU INC. PLANS TO SELL \$842 MILLION IN BONDS	Washington Mutual Inc., the biggest U.S. savings and loan, plans to sell \$842 million in bonds backed mainly by debt obligations on apartment buildings, Moody's Investors Service said.			
3/20/2007	Reuters News	Washinton Mutual CEO gets \$18.09 mln compensation for 2006	NEW YORK, March 19 (Reuters) - Washington Mutual Inc. Chief Executive Kerry Killinger received an \$18.09 million compensation package for 2006, when the largest U.S. savings and loan's shares lagged its peers and a loss from mortgages			
3/27/2007	Reuters News	WaMu subprime ABS delinquencies top ABX components	NEW YORK, March 27 (Reuters) - Washington Mutual Inc.'s subprime bonds are suffering from some of the worst rates of delinquency among securities in benchmark indexes, according to JPMorgan Chase & Co. research.			
4/4/2007	PrimeNewswire	Keller Rohrback L.L.P. Announces Investigation on Behalf of Participants of the Washington Mutual, Inc. Pension Plan	SEATTLE, April 4, 2007 (PRIME NEWSWIRE) -- Keller Rohrback L.L.P. (www.erisafraud.com) today announced its investigation against Washington Mutual, Inc. ("WaMu") (NYSE:WM) for potential violations of the Employee Retirement Income			
4/9/2007	Moody's Investors Service Press Release	Moody's affirms Washington Mutual subprime rating of SQ2	U.S. Residential Mortgage Servicer Rating Action Moody's Investors Service has affirmed the rating of SQ2 as a primary servicer of subprime residential mortgage loans for Washington Mutual Bank ("WAMU"). Moody's ratings are based on the			
4/10/2007	Dow Jones News Service	OPTIONS REPORT: Traders Buy Puts On Washington Mutual, Banks	Concerned that next week's earnings reports will bring with them more bad news about the mortgage sector, traders sought protection from declines to come in shares of several banks Tuesday. Trading was most notable in put options on Washington Mutual I	ow Jones News Serv	OPTIONS REPORT: Traders Buy Puts On Washington Mutual, Banks	NEW YORK (Dow Jones)--Concerned that next week's earnings reports will bring with them more bad news about the mortgage sector, traders sought protection from declines to come in shares of several banks Tuesday.
4/11/2007	Reuters News	Option investors play it safe in Washington Mutual	CHICAGO, April 10 (Reuters) - Some option investors appear to be cautious about the outlook on Washington Mutual Inc. and are hedging their bets against further losses in the shares of the largest U.S. savings and loan.			

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4/16/2007	Fortune	People are His Bottom Line	After 17 years at the helm of Washington Mutual--where he pulled off 31 acquisitions--Kerry Killinger has transformed what was once a \$190-million-a-year regional savings and loan outfit into a \$14 billion powerhouse. In the process the maverick exec c			
4/17/2007	The Wall Street Journal	WaMu Leads in Risky Type of Lending --- Analysis Shows Thrift Makes Frequent Loans For Investment Homes	Among the top five U.S. home-mortgage lenders, Washington Mutual Inc. last year made the highest percentage of loans to investors or second-home buyers, according to a Wall Street Journal analysis of data filed with banking regulators. Such	Reuters News	UPDATE 3-U.S. banks' results show rate, loan loss struggles	(Adds Washington Mutual, other details) NEW YORK, April 17 (Reuters) - Several U.S. regional banks reported weak earnings on Tuesday amid struggles with interest-rate pressures and rising loan losses, including those from mortgages. . . .
4/18/2007	Business Wire	WaMu Reports First Quarter Earnings Per Share of \$0.86 and Increases Cash Dividend to 55 Cents	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM) reported first quarter 2007 net income of \$784 million, or \$0.86 per diluted share, compared with net income of \$985 million, or \$0.98 per diluted share, in the first quarter of	ociated Press News	Analyst says Washington Mutual will need to sock away more money to cover problem loans	NEW YORK (AP) - In a conference call with analysts Tuesday, Washington Mutual Inc. raised its 2007 guidance for bad-loan provisions to a range of \$1.3 billion to \$1.5 billion, from a range of \$1.1 billion to \$1.2 billion. . . .
4/19/2007	Associated Press Newswires	Moves by Freddie Mac, WaMu may signify heeding of regulators' urgings	WASHINGTON (AP) - New moves by finance giant Freddie Mac and a major lending institution involving billions in high-priced mortgages may mean that the urgings of regulators and lawmakers for help to distressed homeowners are bearing fruit.			
4/26/2007	Dow Jones News Service	WaMu Offers New All-In-One Mortgage, Home Equity Loan	SEATTLE (AP)-- Washington Mutual Inc. (WM) has begun offering a new mortgage and home equity line of credit bundled into a single loan that allows customers to reset interest rates or switch between fixed and adjustable rates up to twice a			
4/30/2007	Reuters News	Washington Mutual tightens mortgage lending	NEW YORK (Reuters) - Washington Mutual Inc. said it is making fewer subprime mortgages and emphasizing higher-quality loans to boost earnings and cut risk after its home loans unit lost \$113 million from January to March. . . .			
5/11/2007	Dow Jones International News	DEBT WATCH: Washington Mutual Taps Strong Demand For US Debt	Michael Wilson Of DOW JONES NEWSWIRES LONDON (Dow Jones)--Washington Mutual Bank (WAMU) capitalized on strong European demand for U.S. credit by issuing EUR2 billion of debt in its second covered bond offering Thursday.	Reuters News	Washington Mutual wins loan solicitation lawsuit	NEW YORK, May 11 (Reuters) - Washington Mutual Inc., the largest U.S. savings and loan, won dismissal of a lawsuit accusing it of accessing consumers' credit histories without permission, and then improperly soliciting their interest in
5/22/2007	Moody's Investors Service Press Release	Moody's Assigned Baa1 to the Non-Cumulative Perpetual REIT Preferred Securities Issued by Washington Mutual Preferred Funding Trust III	Moody's Investors Service has assigned a rating of Baa1 to the Non-Cumulative Perpetual REIT Preferred Securities (REIT Preferred) being issued by Washington Mutual Preferred Funding Trust III (REIT), an indirect subsidiary of Washington Mutual Bank, w	Business Wire	WaMu Named Bank with Best Reputation in U.S. by Reputation Institute	Washington Mutual, Inc. (NYSE:WM), one of the nation's leading consumer and small business banking companies, was the only bank named in the 50 best regarded companies in the United States according to a global study of corporate reputations. According

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6/1/2007	Reuters News	UPDATE 1- Washington Mutual says subprime loans fare better	(Adds details, background throughout) NEW YORK, June 1 (Reuters) - Washington Mutual Inc., one of the largest U.S. mortgage lenders, on Friday said improved underwriting standards have led to a reduction in the number of new subprime	Investors Service Pre	Moody's Rates WMALT Series 2007-4 Alt-A Mortgage Deal	Approximately \$377 Million of Mortgage-Backed Securities Rated Moody's Investors Service has assigned a Aaa rating to the senior certificates and a rating of Aa1 to the senior support certificates issued by Washington Mutual Mortgage
6/6/2007	Reuters Significant Developments	Washington Mutual, Inc. To Sell \$140 Billion In Mortgage Servicing And Milwaukee Servicing Operations to Wells Fargo	Wells Fargo & Co. and Washington Mutual, Inc. have entered into a definitive agreement to sell Washington Mutual's entire portfolio of government mortgage servicing and a portion of its conforming, fixed-rate servicing portfolio totaling approximately	Reuters News	Subprime loan market may retrench in '08- WaMu exec	NEW YORK, June 6 (Reuters) - The \$1.2 trillion subprime loan market may retrench in 2008 as it wades its way through major changes in infrastructure such as increased regulation, Washington Mutual Inc. Vice Chair William Longbrake said on
6/12/2007	Moody's Investors Service Press Release	Moody's reviews ratings of certain tranches issued by WaMu for possible upgrade and downgrade	Moody's Investors Service has placed under review for possible upgrade three tranches from WaMu Mortgage Pass-Through Certificates Series 2004-RP1. Additionally, 2 tranches from the same transaction have been placed on review for possible			
6/13/2007	The News Tribune	WaMu exec outlines trouble with choosing credit scores	Credit scores haven't been as helpful as they once were in predicting the performance of riskier mortgages, according to the chief of capital markets at Washington Mutual Inc., the biggest U.S. savings and loan. One problem is that lenders aren't consi			
6/18/2007	Asset Securitization Report	U.S. Covered Bond Market Takes Flight	When it comes to covered bonds, the U.S. structured finance market is a quick study. Last September, Washington Mutual became the first American issuer to complete a covered bond transaction. The size of the program, 20 billion (\$26.5 billion), got the			
6/29/2007	Business Wire	WaMu Response from David Schneider, President, Home Loans, Regarding Interagency Statement on Subprime Mortgage Lending	SEATTLE - (BUSINESS WIRE) - WaMu (NYSE:WM) fully supports the guidance and the goal of ensuring that mortgage loans are underwritten in a prudent fashion and communicated in an understandable way. No party wins when a lender is forced to			
7/6/2007	Business Wire	Fitch Upgrades 7 & Affirms 148 RMBS Classes from 30 WaMu Securitizations	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has taken the following rating actions on the Washington Mutual (WaMu) residential mortgage-backed certificates listed below:			
7/11/2007	Dow Jones News Service	GE, WaMu, Fremont, New Century Mortgages Cut By Moody's	By Alistair Barr More than half of the mortgage-backed securities downgraded Tuesday by rating agency Moody's Investors Service are tied to home loans originated by units of General Electric Co. (GE), Washington Mutual Inc.			
7/12/2007	Dow Jones Capital Markets Report	Moody's: Magnitude of RMBS, CDO Rating Changes "Unprecedented"	NEW YORK (Dow Jones)—Four issuers account for the bulk of mortgage-backed securities downgraded by Moody's Investors Service, according to the ratings agency.	ociated Press News	NAACP suit claims mortgage lenders discriminated against blacks	LOS ANGELES (AP) - The NAACP sued a dozen mortgage lenders on Wednesday, claiming the companies discriminated against blacks by steering them into higher-interest, subprime loans while giving more favorable loan terms to white borrowers.

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7/19/2007	Business Wire	WaMu Reports Second Quarter Earnings Per Share of \$0.92, up 16 Percent ; Increases Cash Dividend to 56 Cents	SEATTLE - (BUSINESS WIRE) - WaMu (NYSE:WM) announced today that second quarter 2007 earnings per share increased 16 percent from a year ago. Continued strong performance led to net income of \$830 million, or \$0.92 per diluted share,	Reuters News	Washington Mutual halts some exotic subprime loans	NEW YORK, July 18 (Reuters) - Washington Mutual Inc., one of the largest U.S. mortgage lenders, said it will no longer offer some subprime home loans that had become popular before soaring defaults caused distress for dozens of lenders.
7/20/2007	Associated Press Newswires	Washington Mutual cuts hundreds of jobs in subprime lending	SEATTLE (AP) - Washington Mutual Inc., the nation's largest savings and loan, has laid off hundreds of employees in several offices that process home loans for borrowers with shaky credit.			
7/24/2007	Dow Jones News Service	Wells Fargo Discontinues Popular Mortgage For Subprime Borrowers	Wells Fargo & Co. (WFC) has stopped offering a popular adjustable-rate mortgage designed for home buyers with troubled borrowing histories, becoming the latest lender to curtail its exposure to the subprime market in response to regulatory and market p			
7/30/2007	Business Wire	Fitch Downgrades Washington Mutual's CMBS Primary Servicer Rating; Affirms Master & Special	Fitch Ratings downgrades Washington Mutual Bank's (WMB) commercial mortgage-backed securities (CMBS) primary servicer rating to 'CPS3+' from 'CPS2-'. In addition, Fitch affirms WMB's master servicer rating of 'CMS3' and its special servicer rating of '			
8/3/2007	Bloomberg	Countrywide, Washington Mutual Bond Risk Increases	The perceived risk of owning bonds of mortgage lenders Countrywide Financial Corp. and Washington Mutual Inc. rose on concerns about deepening losses from risky home loans, according to credit-default swap traders who bet on creditworthiness. Credit-de	Euroweek	WaMu puts its dollar debut on the backburner	Washington Mutual has postponed its debut dollar covered bond, cancelling a roadshow that was due to begin in the US on Monday.
8/6/2007	CIO	Customer Driven	Online banking isn't unique to Washington Mutual. What is new is the fact that WaMu customers who want to open new checking accounts with the Seattle-based consumer and small business bank (which has \$312 billion in assets) don't have to get up from th			
8/8/2007	Reuters News	Washington Mutual tightens mortgage guidelines	NEW YORK, Aug 7 (Reuters) - Washington Mutual Inc. said Tuesday it will no longer buy certain kinds of home loans from brokers, making the thrift the latest to tighten its lending standards as U.S. mortgage defaults surge. . . .			
8/10/2007	Reuters News	Countrywide, WaMu say pressured by mortgage market	NEW YORK, Aug 9 (Reuters) - Two of the largest U.S. providers of home loans, Countrywide Financial Corp and Washington Mutual Inc., on Thursday said difficult mortgage market conditions are likely to hurt operations in the near	ociated Press News	Washington Mutual warns of significantly diminished liquidity in mortgage market	NEW YORK (AP) - Shares of Washington Mutual Inc. slipped in premarket trading Friday after the bank said it has become tougher to raise cash for home loans.

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8/13/2007	Dow Jones News Service	WSJ: WaMu Exec Won't Make Scheduled Conference Appearance	By Ann Carrns OF THE WALL STREET JOURNAL The president of Washington Mutual Inc.'s (WM) home loans business, which is feeling the pinch from tightening credit markets, won't make a scheduled appearance at an investor			
8/17/2007	The Record	WaMu plans to sell, share its home: Prospective buyers already showing interest	Washington Mutual has put its downtown Stockton building up for sale. The 247,000-square-foot building, an iconic landmark since its construction in 1989, has no price tag. The company is asking anyone interested in purchasing the building to make an o	Antonio Express-N	Washington Mutual may add 600 S.A. jobs	Despite stubborn problems in the nation's home loan market, Washington Mutual's chief executive officer said the company is "very pleased" with progress at its regional center in San Antonio and could add 600 jobs here in the near future. "We find the
8/21/2007	Los Angeles Times	Sub-prime chaos claims 500 jobs at Countrywide; Capital One shuts down its troubled 'jumbo' loan unit, but Washington Mutual reaches out to high-risk borrowers.	Taking a contrarian approach is Washington Mutual Inc. The nation's No. 3 mortgage lender plans to step into the void created by companies such as Countrywide and GreenPoint that can no longer find buyers for sub-prime, alt-A or jumbo mortgages, which			
8/22/2007	Los Angeles Times	MORTGAGES; CEO calls for broker reform; Washington Mutual's chief seeks improved education and standards for those who supply home loans.	The mortgage meltdown has sharpened debate over how to ensure that borrowers don't get stuck with loans they can't afford..."They should have something like stockbrokers -- licensing, testing, higher standards," Washington Mutual Inc. Chief Executive K			
8/27/2007	Moody's Investors Service Press Release	Moody's affirms WaMu's ratings (Holdco. Snr at A2)	Moody's Investors Service affirmed its ratings on Washington Mutual Inc. (senior at A2) and its subsidiaries including its lead thrift, Washington Mutual Bank, (B- for financial strength and A1 for deposits.) . . .			
8/29/2007	Reuters News	RESEARCH ALERT- Washington Mutual shr view, target cut by FBR	(New throughout) NEW YORK, Aug 29 (Reuters) - Washington Mutual Inc.'s 2007 earnings outlook was lowered 31 percent by Friedman, Billings, Ramsey & Co. analyst Paul Miller, who said the largest U.S. savings and loan may set aside as			
8/31/2007	Associated Press Newswires	Standard & Poor's equity division cuts Washington Mutual rating to "Sell"	NEW YORK (AP) - A Standard & Poor's stock analyst cut his rating on Washington Mutual Inc. on Thursday, citing concerns about the bank's exposure to the ailing housing market.	Business Wire	WaMu Names John P. McMurray Chief Credit Officer ; 25-Year Mortgage Veteran Joins WaMu	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM) today announced that John P. McMurray is joining WaMu to serve as the company's Chief Credit Officer, effective Sept. 24, 2007. He will report to Ron Cathcart, EVP and Chief
9/5/2007	Reuters News	TEXT- Moody's cuts, raises some WaMu tranches	Sept 4 - Moody's Investors Service has upgraded three tranches from WaMu Mortgage Pass-Through Certificates Series 2004-RP1 while downgrading two tranches from the same transaction. The underlying collateral in this transaction consists of FHA insured			

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9/7/2007	The Wall Street Journal	Is WaMu Out on Ledge? --- Earlier Stumbles Cut Into Bank's Credibility On Mortgage Holdings	With its share price down more than 20% so far this year, Washington Mutual Inc. ought to be a textbook buying opportunity for investors hunting for major mortgage lenders that are down but not out. . . .			
9/10/2007	Dow Jones News Service	Washington Mutual Sees Loss Provision Up To \$2.2B	NEW YORK (Dow Jones)-- Washington Mutual Inc. (WM) Chief Executive Kerry Killinger warned Monday that the company anticipates a continued rise in bad loans, which will take a toll on WaMu's earnings. . . .			
9/11/2007	The Wall Street Journal	Earnings Digest: WaMu, Wachovia Expect More Fallout	Washington Mutual Inc. Chief Executive Kerry Killinger warned that the company anticipates a continued rise in bad loans, which will take a toll on WaMu's earnings. . . .			
9/13/2007	Dow Jones International News	Washington Mutual To Close 2 Divisions, Cut 1,000 Jobs-Report	NEW YORK (Dow Jones)-- Washington Mutual Inc. (WM) Washington Mutual Inc., the largest U.S. savings and loan, said Wednesday that it would shutter one division that bought mortgages from other home lenders and another that financed	w Jones Business News	UPDATE: Analysts Favor WaMu, Lehman Ahead Of Rate Cut	By Greg Morcroft NEW YORK (Dow Jones) - Analysts at Fox-Pitt Kelton said Friday that investors who believe a rate cut from the Fed is imminent should buy shares of Lehman Brothers and Washington Mutual. . . .
9/14/2007	Associated Press Newswires	Shares of mortgage lenders climb on Countrywide's access to \$12 billion	NEW YORK (AP) - Shares of mortgage lenders rose Thursday after the nation's biggest lender said it gained access to much-needed cash. Countrywide Financial Corp., which is based in Calabasas, Calif., said it secured access to \$12 billion			
9/18/2007	Dow Jones News Service	TALES OF THE TAPE: WaMu On Firmer Ground Than Some Lenders	NEW YORK (Dow Jones)--Despite the mortgage credit crunch, you probably won't see Washington Mutual Inc. (WM) making scary headlines. And for investors, that is probably good news. . . .			
9/24/2007	Moody's Investors Service Press Release	Moody's Rates Washington Mutual Master Trust, Series 2007-A Notes	\$625 Million of Asset-Backed Securities Rated. Moody's Investors Service has rated four classes of notes issued by the Washington Mutual Master Trust, Series 2007-A. The complete rating action was as follows: Issuer: Washington Mutual Master Trust, Ser			
10/1/2007	Reuters News	UPDATE 1- Washington Mutual boosting mortgage disclosures	(Updates with background, share price) NEW YORK, Oct 1 (Reuters) - Washington Mutual Inc , the largest U.S. savings and loan, on Monday said it is putting in place new standards to be used by mortgage brokers with which it does business.			
10/2/2007	The Wall Street Journal	WaMu Calls for Mortgage Disclosure	NEW YORK -- Washington Mutual Inc., the U.S.'s sixth-largest home-mortgage lender in terms of volume, is asking mortgage brokers it works with to provide more information to borrowers. . . .			

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10/5/2007	Dow Jones Business News	UPDATE: Washington Mutual Says Profit To Decline More Than Expected	By Murray Coleman SAN FRANCISCO (Dow Jones) -- With another key home lender sounding alarms about deteriorating conditions in mortgage markets, analysts say the role of Federal Reserve policymakers figures to take even more prominence in	Reuters News	WRAPUP 2-Merrill, Wamu join lengthening list of warnings	(Adds Sovereign profit warning) NEW YORK, Oct 5 (Reuters) - Merrill Lynch & Co, Washington Mutual Inc and Sovereign Bancorp Inc on Friday became the latest banks to take big writedowns on mortgages and other credit-related losses, but
10/8/2007	Reuters News	WaMu debt outlook revised to stable -S&P	NEW YORK, Oct 5 (Reuters) - Standard & Poor's on Friday revised its outlook on Washington Mutual Inc to stable from positive, citing expectations of lower earnings for the remainder of 2007 and for 2008 due to losses from residential ...	the Wall Street Journ	Washington Mutual Warns On Profit Due to Credit Woes	Washington Mutual Inc. joined the parade of big banks warning that the slumping housing market and this summer's credit crunch will crimp third-quarter profits. . . .
10/15/2007	National Mortgage News	WaMu Taking Big Hit	Mortgage giant Washington Mutual here said its third-quarter net income likely will fall by 75% because of subprime and home-equity-related writedowns of almost \$1 billion. The nation's largest thrift said the writedown - which it thinks will be in the			
10/16/2007	Reuters News	Citigroup sets low bar as rivals prepare to report	NEW YORK, Oct 15 (Reuters) - Citigroup Inc on Monday disappointed investors looking for assurance that the worst was probably over in consumer credit and capital markets. . . .			
10/18/2007	Dow Jones News Service	UPDATE: WaMu 3Q Net Down 72%; Records \$967M Loan Loss Charge	DOW JONES NEWSWIRES Washington Mutual Inc. (WM) third-quarter net income plummeted 72% as the company took a bruising hit to cover home-loan losses. . . .	ociated Press News	Analyst downgrades Washington Mutual, soft housing market hurts results more than expected	NEW YORK (AP) - Shares of Washington Mutual Inc. declined in Thursday's premarket trading after an analyst downgraded the stock and said a weak housing market hurt the nation's third-largest home lender more than he anticipated. . . .
10/19/2007	Reuters News	Washington Mutual unit sells \$1 bln securities - source	NEW YORK, Oct 18 (Reuters) - Washington Mutual Preferred Funding Trust IV sold \$1 billion of perpetual preferred securities on Thursday, said a market source familiar with the deal. . . .	attle Post-Intelligenc	WAMU STOCK DROPS TO LOWEST LEVEL IN 5 YEARS	Washington Mutual Inc.'s stock fell to its lowest level in five years Thursday after investment analysts picked apart the company's third-quarter earnings report and found little to suggest that the company's performance will improve soon.
10/22/2007	Associated Press Newswires	Lehman downgrades mortgage and specialty finance sectors, says worst may not be over	NEW YORK (AP) - A Lehman Brothers analyst on Monday lowered his rating on the mortgage and specialty finance sectors, and said he expected stocks to sink further as turmoil in the housing sector continues to paralyze the credit markets. . . .	Reuters News	Before the Bell-Countrywide, Washington Mutual fall	NEW YORK, Oct 22 (Reuters) - Shares of mortgage finance and specialty finance companies declined before the opening bell on Monday after Lehman Brothers cut its ratings on the sector. For details, see [ID:nWNA8901]
10/23/2007	Business Wire	Fitch Rates Washington Mutual Preferred Funding Trust IV 'A-'	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has assigned an 'A-' rating to Washington Mutual Preferred Funding Trust IV's \$1 billion issue of trust securities. . . .			
10/25/2007	Dow Jones Capital Markets Report	S&P Cuts 3 WaMu MSC Mtg Pass-Thru Certs 2004-RA1, 2005-RA1 Rtgs	S&P Cuts 3 WaMu MSC Mtg Pass-Thru Certs 2004-RA1, 2005-RA1 Rtgs.			

APPENDIX C
News Articles During the Class Period
Samples From Each Day Coded as Having WaMu Related News

Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
10/26/2007	Reuters News	New Issue- Washington Mutual sells \$500 mln notes	Oct 25 (Reuters) - Washington Mutual Inc on Thursday sold \$500 million in 10-year subordinated notes, market sources said. Barclays Capital, Credit Suisse, Lehman Brothers and Morgan Stanley were the joint book running managers for			
10/30/2007	Business Wire	Fitch Affirms 14 WAMU RMBS Ratings from 11 Securitized Mortgages	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has taken rating actions on the following Washington Mutual (WAMU) residential mortgage-backed certificates:			
11/1/2007	Dow Jones News Service	NY AG Sues First American, Unit In Mortgage Appraisal Probe	NEW YORK (Dow Jones)--New York Attorney General Andrew Cuomo said Thursday that his office sued First American Corp. (FAF) and its eAppraiseIT unit for alleging colluding with Washington Mutual Inc. (WM) to use a list of preferred	Dow Jones News Service	WaMu Suspending Relationship With eAppraiseIT	DOW JONES NEWSWIRES Washington Mutual (WM) said on Thursday that it suspended its relationship with eAppraiseIT after the unit of First American Corp. (FAF) was sued by New York Attorney General Andrew Cuomo.
11/2/2007	Dow Jones Business News	UPDATE: Analyst Says WaMu Faces Taking Back Securitized Mortgages	By Alistair Barr SAN FRANCISCO (Dow Jones) -- Washington Mutual may have to set aside some \$412 million to \$2.1 billion in extra reserves if a lawsuit filed by New York state's attorney general against the mortgage lender succeeds, a	Seattle Post-Intelligencer	WaMu Faulted on Home Loans; Colluded to Inflate Property Values, N.Y. Attorney General says	New York's attorney general has accused Washington Mutual Inc. of pressuring a real estate appraisal company to deliver inflated home values in order to justify making loans, a practice that some appraisers have complained of increasingly
11/5/2007	Dow Jones News Service	Law Firm: Washington Mutual Faces Purported Class-Action Suit	DOW JONES NEWSWIRES Washington Mutual Inc. (WM) and its officers face a purported class action lawsuit for allegedly inflating the appraised value of homes that backed some of its loans, according to the law firm Wolf Popper LLP.			
11/6/2007	Business Wire	Fitch Takes Rating Actions on 7 Large Banks; Downgrades National City's Rtgs; Revises Outlooks	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has taken selected rating actions on several large U.S. banks. Among these actions is the downgrade of the long-term Issuer Default Rating (IDR) of National City Corporation (NCC) to 'A+' from			
11/7/2007	Reuters News	UPDATE 6- Washington Mutual shrs sink on losses, Cuomo probe	(Adds Washington Mutual comment, paragraph 14) NEW YORK (Reuters) - Washington Mutual Inc, shares tumbled 17 percent to a seven-year low Wednesday after the largest U.S. savings and loan said mortgage losses will mount through 2008, and	Reuters Chinese Financial	DJ NY AG Cuomo To Issue Subpoenas To Freddie Mac, Fannie Mae	NEW YORK (Dow Jones)--New York Attorney General Andrew Cuomo said Wednesday that his office is sending subpoenas to Freddie Mac (FRE) and Fannie Mae (FNM) and is asking the companies to retain an independent examiner to review certain
11/8/2007	Business Wire	WaMu Responds to NY Attorney General's Press Release	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM), In response to the press releases issued recently by the New York Attorney General's Office regarding its probe of industry-wide mortgage appraisal practices, the company issued	Reuters News	RESEARCH ALERT-Friedman cuts Washington Mutual target to \$14	Nov 8 (Reuters) - WASHINGTON MUTUAL INC Current Prior Price target \$14 \$23
11/9/2007	Associated Press Newswires	Washington Mutual shares continue decline as analysts cut price targets, earnings estimates	NEW YORK (AP) - Analysts lowered earnings forecasts and price targets for national bank Washington Mutual Inc. Thursday after the company painted a bleak picture for the mortgage market for 2008.			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
11/12/2007	Associated Press Newswires	Washington Mutual cuts 3rd-quarter profit to reflect Amex/Visa credit-card settlement charge	NEW YORK (AP) - Washington Mutual Inc. will pay \$38 million related to Visa Inc.'s settlement with credit card rival American Express Co., according to regulatory filings Friday. The national bank also lowered its previously reported			
11/15/2007	Home Equity Wire	Did eAppraiseIT Favor WaMu?	New York attorney general Andrew Cuomo is suing First American Corp. and its eAppraiseIT unit for allegedly colluding with Washington Mutual Inc. to use a list of preferred appraisers to inflate mortgage appraisals. The lawsuit filed in the New York Su			
11/19/2007	Asset Securitization Report	WaMu Under Appraisal Fraud Probe	An investigation by the New York attorney general into Washington Mutual's role in a case of alleged real estate appraisal fraud could have broader implications for the mortgage industry. Cuomo is alleging that eAppraiseIT buckled under pressure fro			
11/21/2007	Moody's Investors Service Press Release	Moody's takes negative rating actions on certain Alt-A deals issued by Washington Mutual in 2006 and late 2005	Moody's Investors Service has downgraded the ratings of 34 tranches and has placed under review for possible downgrade the ratings of 7 tranches from 8 deals issued by Washington Mutual in 2006 and late 2005. The collateral backing these	Dow Jones News Serv	Washington Savings 1Q EPS 4c Vs EPS 13c	DOW JONES NEWSWIRES Washington Savings Bank's (WSB) fiscal first-quarter net income fell 67%, which the company attributed to the sluggish residential real estate market and a decline in its higher-yielding construction loans.
11/27/2007	Business Wire	Fitch Affirms WaMu Commercial Mortgage Securities Trust, Series 2006-SL1	Fitch Ratings has affirmed WaMu Commercial Mortgage Securities Trust series 2006-SL1, commercial mortgage pass-through certificates. The rating affirmations reflect stable performance and limited amortization since issuance. As of the October 2007 dis	Associated Press News	Analyst upgrades Washington Mutual and 4 other banks based on price, exposure to industry woes	NEW YORK (AP) - Punk Ziegel & Co. analyst Richard Bove upgraded shares of several banks, including Washington Mutual Inc., Tuesday saying some had fallen far enough and that the others have avoided, or have limited exposure, to
11/29/2007	Dow Jones International News	US Tsy's Paulson Met Thu With Bankers, Others On Mortgages	WASHINGTON (Dow Jones)--U.S. Treasury Secretary Henry Paulson met Thursday with bankers and representatives of the securitization industry as U.S. government officials try to speed up efforts to move borrowers with expensive mortgage	Investors Service Pre	Moody's Assigns Definitive Ratings to Washington Mutual Master Note Trust, WaMu Card Series Class 2007-C2 Variable Funding Notes	Up to \$500 Million of Asset-Backed Securities Rated Moody's Investors Service has assigned definitive ratings to the notes issued by Washington Mutual Master Note Trust, WaMu Card Series, Class 2007-C2 credit card receivables
11/30/2007	Dow Jones News Service	UPDATE:BEFORE THE BELL:Bernanke, Subprime Plan Drive Banks Up	(Adds entries for Tiffany, Motorola, GM, Apple and Google.) By Steven Russolillo Of DOW JONES NEWSWIRES NEW YORK (Dow Jones)--Shares of several mortgage-related financial institutions rose before the opening bell Friday			
12/3/2007	Dow Jones Capital Markets Report	WaMu Chmn: More Fed Rate Cuts Needed On Housing Crisis	WASHINGTON (Dow Jones)--The Federal Reserve needs to further cut interest rates as part of a broad array of policy solutions to the ongoing downturn in the housing markets, Washington Mutual Inc. (WM) Chairman and CEO Kerry Killinger said			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
12/4/2007	Associated Press Newswires	Morgan Stanley, Fannie Mae and WaMu pressure the S&P 500	NEW YORK (AP) - The Standard & Poor's 500 index dipped in midday trading Tuesday, dragged down by shares Morgan Stanley and Washington Mutual Inc. after analysts cut profit estimates on Wall Street banks. . . .			
12/5/2007	Associated Press Newswires	S&P 500 tugged lower by Countrywide, CB Richard Ellis Group, Washington Mutual	NEW YORK (AP) - The Standard & Poor's 500 index ended lower on Tuesday, pulled down by shares of Countrywide Financial Corp. The S&P 500 declined 9.63 points to 1,462.79. . . .	the Wall Street Journ	BUSINESS: As WaMu Skids, Its Top Executives Stay in Place	Who's to blame? As multibillion-dollar problems with risky mortgages pile up, rough justice is taking hold at many lenders. Companies like Citigroup, Morgan Stanley and Merrill Lynch have squeezed out senior officials, even chief executive
12/6/2007	Moody's Investors Service Press Release	Moody's downgrades Washington Mutual subprime deals issued in 2007	Moody's Investors Service has downgraded the ratings of and placed on review for possible downgrade the ratings of 14 tranches from 6 transactions issued by Washington Mutual in 2007. Additionally, four downgraded tranches remain on review	Jones International	Washington Mutual's MBS Brokerage Unit Facing Cutback -Report	NEW YORK (Dow Jones)-- Washington Mutual Inc. (WM) is on the verge of sharply scaling back its brokerage unit that handles mortgage-backed securities, the New York Post reported Thursday, citing a number of sources on Wall Street. . . .
12/7/2007	PR Newswire (U.S.)	Hagens Berman Sobol Shapiro: Washington Mutual Faces Class Action Citing ERISA Violations; Company employees feeling effects of poor home loan and portfolio management by company...	SEATTLE, Dec. 6 /PRNewswire/ -- Washington Mutual (NYSE: WM) employees participating in the company's 401(k) plan filed a class-action lawsuit against the company, its CEO, board members and all other fiduciaries, claiming the organization	nes Chinese Financi	DJ Law Firm Alleges WaMu Failed To Adequately Monitor 401k	DOW JONES NEWSWIREs Employees of Washington Mutual Inc. (WM) who invested in the company's 401(k) plan filed a class-action lawsuit against the company alleging a failure to adequately monitor the plan. . . .
12/10/2007	MarketWatch	Beware of more 'hidden' subprime losses; Commentary: Report says Washington Mutual, Countrywide most vulnerable	Gradient warns that Washington Mutual may not be properly valuing loans it is holding for investment purposes. As a result, reserves for future losses may be too low. While the company boosted its loss provision in the third quarter, the Gradient repor	investors Service Pre	Moody's cuts WaMu's ratings (snr to Baa2); outlook stable	Moody's Investors Service downgraded by two notches the long-term ratings of Washington Mutual, Inc. (senior to Baa2 from A3) and its subsidiaries including the lead thrift Washington Mutual Bank (financial strength rating to C- from C+
12/11/2007	Business Wire	WaMu to Raise \$2.5 Billion in Additional Capital, Reduce Dividend, Resize Home Loans Business and Cut Expenses to Fortify Capital Base...	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM) announced today a series of actions designed to address the unprecedented challenges in the mortgage and credit markets by strengthening the company's capital and liquidity and	ociated Press Newsw	Analyst says JPMorgan Chase in position to make major acquisition in the near future	NEW YORK (AP) - Punk Ziegel & Co. analyst Richard Bove said Tuesday morning JPMorgan Chase & Co. will likely make a major acquisition in the near future, and with the banking sector weak, it has plenty of options. . . .
12/12/2007	Associated Press Newswires	WaMu shares crumbles after it slashes dividend, cuts jobs and plans massive stock offering	SEATTLE (AP) - Washington Mutual's move to slash staff and launch a massive stock offering to shore up its finances may smack of desperation, analysts said Tuesday as the bank's shares tumbled nearly 12 percent. . . .	investors Service Pre	Moody's affirms ratings on WaMu's credit card trusts	Approximately \$12.4 billion of asset-backed securities affected Moody's Investors Service affirmed the ratings on thirty-four classes of securities issued through the Washington Mutual Master Note Trust, the Washington Mutual Master
12/13/2007	Reuters News	UPDATE 1-RESEARCH ALERT-BofA downgrades WaMu to sell	(Changes source, adds details) Dec 13 (Reuters) - Banc of America downgraded Washington Mutual Inc to "sell" from "neutral," saying recent company announcements, increased credit deterioration, and lower dividends had shaken its	Business Wire	Fitch Affirms Washington Mutual Master Trust & Washington Mutual Master Note Trust ABS	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has affirmed all asset-backed securities (ABS) ratings for outstanding notes issued from the Washington Mutual Master Trust and Washington Mutual Master Note Trust. The affirmation affects

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12/14/2007	Business Wire	Fitch Takes Rating Actions on WMALT 2006-3 Securitizations	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has taken the following rating actions on Washington Mutual's (WaMu) Alt-A (WMALT) series 2006-3 residential mortgage pass-through certificates:			
12/17/2007	Reuters News	US RESEARCH NEWS- Credit Suisse cuts Washington Mutual target	Following are the research actions reported by Reuters on Monday as of 0928 ET. For research actions reported earlier in the day, please double click on [nBNG102815] For a snapshot of research actions, please double click on [SNAP/RCH]	Barron's	Subdued in Seattle: Reversing streak, WaMu snaps big chunk from payout	For 48 consecutive quarters, investors in Washington Mutual (ticker: WM), the nation's largest thrift and one of its biggest mortgage lenders, had been able to bank on a dividend increase. In October, though, WaMu held its payout at the
12/18/2007	Business Wire	WaMu's Chief Legal Officer to Retire	SEATTLE - (BUSINESS WIRE) - Fay L. Chapman, senior executive vice president for Washington Mutual, Inc. (NYSE:WM), will be retiring from the company following 10 years of dedicated and effective service as its chief legal officer. Chapman,			
12/20/2007	Moody's Investors Service Press Release	Moody's rated Washington Mutual Master Trust 2007-B Variable Funding Certificates	Moody's Investors Service has rated four classes of variable funding certificates issued by the Washington Mutual Master Trust.	s Significant Develop	SEC Probes Washington Mutual, Inc. On Appraisals-WSJ2	The Wall Street Journal reported that the Securities and Exchange Commission is investigating how retail bank Washington Mutual, Inc. handled and reported on mortgage loans that may have been based on inflated home appraisals.
12/21/2007	Business Wire	Pittsburgh Law Office of Alfred G. Yates Jr., PC Commences a Shareholder Class Action Suit Against Washington Mutual, Inc.2	Notice is hereby given by the Law Office of Alfred G. Yates Jr., PC that it has filed a class action in the Southern District of New York on behalf of purchasers of Washington Mutual, Inc. (" WaMu" or the "Company") (NYSE:WM) securities between April	The Seattle Times	WaMu assisting in SEC inquiry; Appraisal allegations; News adds to woes of major lender2	Washington Mutual said late Thursday it is cooperating with a federal inquiry stemming from allegations that it made mortgage loans based on improperly inflated home appraisals. The company already has set aside \$1.57 billion this year to cover bad loa
12/24/2007	Associated Press Newswires	SEC Probing Washington Mutual	WASHINGTON (AP) - The Securities and Exchange Commission is probing how Washington Mutual Inc., the nation's largest savings and loan, handled mortgages that were possibly based on inflated home appraisals. . . .			
1/2/2008	Datamonitor News and Comment	Washington Mutual appoints interim chief legal officer	Stewart Landefeld, chair of Perkins Coie's national business practice, has temporarily resigned from the firm to fill the position of interim chief legal officer for his client Washington Mutual, a consumer and small business banking company. Washingt			
1/7/2008	Global Banking News	Washington Mutual to cut 25 branches in Chicago	Washington Mutual Inc (WaMu) (NYSE: WM) has said that it has decided to close 25 of its 146 offices in Chicago, its second major branch reduction since September 2006.			
1/8/2008	The New York Times	A Chairman Is Appointed To Rebuild Sallie Mae	Sallie Mae, the beleaguered student lending giant, on Monday appointed a longtime banking executive as chairman as the company struggles with tighter credit markets and fallout from a failed buyout. . . .			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
1/9/2008	Reuters News	Washington Mutual stock falls amid mortgage woes	NEW YORK, Jan 9 (Reuters) - Washington Mutual Inc shares fell 13 percent on Wednesday amid concerns that rising residential defaults could be worse than expected in coming months.			
1/10/2008	Chicago Tribune	Mortgage industry's worries propel shares to 12-year low	Shares of Washington Mutual Inc., the nation's biggest savings and loan, fell to the lowest level since May 1996 Wednesday on renewed concern about the slumping U.S. mortgage market. The stock fell 40 cents, or 3.1 percent, to \$12.34, on the New York			
1/11/2008	Reuters News	JPMorgan, WaMu have held prelim merger talks-CNBC	NEW YORK, Jan 11 (Reuters) - JPMorgan Chase and Washington Mutual have held "very preliminary" talks about a merger, CNBC's Charlie Gasparino said on Friday.			
1/14/2008	Moody's Investors Service Press Release	Moody's downgrades WaMu Alt-A deals	Moody's Investors Service has downgraded the ratings of 16 tranches and has placed under review for possible downgrade the ratings of 10 tranches from deals issued by Washington Mutual in 2007. Additionally, one downgraded tranche remains			
1/15/2008	Dow Jones News Service	2nd UPDATE: S&P Cuts Ratings On Classes Tied To Alt-A Loans	(Adds Moody's actions Monday regarding JPM, Terwin, WaMu, starting 15th paragraph.) DOW JONES NEWSWIRES Standard & Poor's lowered its ratings to junk status on 56 classes from 32 U.S. net interest margin securities			
1/16/2008	Associated Press Newswires	Washington Mutual expected to report 4th-quarter loss on large reserve for loan losses	NEW YORK (AP) - Washington Mutual Inc. is slated to report results for the fourth quarter after the closing bell rings Thursday. Following is a summary of key developments and analyst commentary related to the period.	Associated Press News	Washington Mutual expected to report 4th-quarter loss on large reserve for loan losses	NEW YORK (AP) - Washington Mutual Inc. is slated to report results for the fourth quarter after the closing bell rings Thursday. Following is a summary of key developments and analyst commentary related to the period.
1/17/2008	BusinessWeek Online	Can WaMu Go It Alone? Wall Street is speculating that the bank will go the way of Countrywide Financial and be acquired by a larger player...	Washington Mutual's (WM) long-running TV ad campaign features a smiling, young banker poking fun at his stuffy, suit-wearing rivals. But despite the hip image, Washington Mutual is looking a lot more like other big players in financial			
1/18/2008	Business Wire	WaMu Reports Fourth Quarter Net Loss Per Share of \$2.19, Reflecting Previously Announced After-Tax Charge to Writedown Home Loans Goodwill of \$1...	SEATTLE - (BUSINESS WIRE) - WaMu (NYSE:WM) today announced a fourth quarter 2007 net loss of \$1.87 billion, or \$2.19 per diluted share. The company attributed the loss to the \$1.6 billion after-tax charge to writedown Home Loans goodwill	Reuters News	WaMu stock up on JPMorgan merger speculation	NEW YORK, Jan 18 (Reuters) - Shares of Washington Mutual Inc rose as much as 11 percent on Friday on persistent market speculation the No. 1 U.S. savings and loan might be acquired by JPMorgan Chase & Co Inc , analysts said.
1/22/2008	Reuters News	UPDATE 1-Punk Ziegel cuts '08 EPS view on Merrill, 4 other banks	(Adds analyst's comments and background) Jan 21 (Reuters) - Punk Ziegel analyst Richard Bove cut his 2008 earnings forecast on five U.S. banks, including Merrill Lynch & Co Inc , even as he narrowed his 2008 loss view on Washington	Chicago Tribune	Traders bid up WaMu shares; JPMorgan in thick of buyout rumors	NEW YORK Shares of Washington Mutual Inc. surged more than 8 percent Friday as traders bet that the nation's largest savings and loan will be acquired.

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1/23/2008	Reuters News	UPDATE 1- WaMu CEO gets 3.2 million stock options for '08	(Adds background, byline) NEW YORK, Jan 22 (Reuters) - Washington Mutual Inc., whose share price sank 70 percent last year as mortgage losses soared, said on Tuesday it awarded Chief Executive Kerry Killinger 3.2 million stock	Associated Press News	Washington Mutual slashes cash bonuses, stock awards for execs	SEATTLE (AP) - Washington Mutual Inc., the country's biggest savings and loan, said Tuesday it slashed 2007 cash bonuses for its top executives.
1/24/2008	Seattle Post-Intelligencer	THE STAKES ARE HIGH IF WAMU SELLS OUT	LET US COUNT the people who would be pleased by, or at least wouldn't mind very much, if Washington Mutual were sold. The acquirer that figures it has bought valuable assets on the cheap. Top executives, who will get munificent golden			
1/29/2008	Reuters News	WaMu says net interest income will top forecast	NEW YORK, Jan 29 (Reuters) - Washington Mutual Inc Chief Executive Kerry Killinger said on Tuesday he expects the savings and loan's net interest income to exceed current company estimates.			
1/30/2008	Reuters News	UPDATE 1-RESEARCH ALERT-Fox-Pitt upgrades Washington Mutual	(Adds details) Jan 30 (Reuters) - Fox-Pitt Kelton upgraded Washington Mutual Inc and said the company's outlook gives it confidence that the company will have substantially reserved for expected vintage losses by the end of 2008,	San Jose Mercury News	WASHINGTON MUTUAL TO SHIFT STRATEGY DURING 2008 SLOWDOWN	Washington Mutual said Tuesday that higher-than-expected net interest income in 2008, along with its exit from subprime loans and a renewed focus on bank-branch customers, will help carry the thrift through what promises to be a difficult
1/31/2008	The Asian Banker Interactive	Moody's comments on WaMu's 4Q07 loss	Moody's Investors Service saw no rating implications to Washington Mutual, Inc's. (WaMu) announcement of a 4Q07 loss of \$1.9 billion. The loss was consistent with an earnings warning that WaMu announced in December, 2007. Moody's rates WaMu's lead th			
2/1/2008	Mortgage Servicing News	Is WaMu Talking to JPM?	JPMorgan Chase & Co. is talking to Washington Mutual here about possibly buying the nation's largest thrift, according to industry sources.	Mortgage Servicing News	Fitch Downgrades MBS Due to Loss Forecast	About 280 classes of mortgage-backed securities from more than 20 issuers were recently downgraded by Fitch Ratings as a result of changes to its subprime loss forecasting assumptions.
2/4/2008	San Antonio Express-News	WaMu pins hopes on retail banking	When it comes to Washington Mutual Inc., most of the attention has been focused on the headache-generating home-loan side of the business.			
2/5/2008	Associated Press Newswires	Ambac Financial, Washington Mutual, CIT Group tug S&P 500 lower, while Cummins gains	The Standard & Poor's 500 index declined on Monday, with shares of Ambac Financial Group Inc. taking the largest loss. Washington Mutual Inc. declined \$2.66, or 12.2 percent, to \$19.16, as banking stocks were among the hardest hit in the session.			
2/6/2008	Reuters News	RESEARCH ALERT-FBR sees 30 pct fall in U.S. banks' profit in '08	Feb 6 (Reuters) - Friedman Billings Ramsey said it sees a 30 percent fall in profits of U.S. banks and thrifts for fiscal 2008 from last year, as the sector wades through higher credit costs, which would more than offset net interest margin			

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2/7/2008	Reuters News	UPDATE 1-Reuters Summit-US OTS chief not aware of any WaMu deal	(For other news from the Reuters Regulation Summit, click on http://www.reuters.com/summit/Regulation08?pid=500) (Adds comments on fewer mergers expected, background, stock price)			
2/11/2008	Reuters News	US lenders have foreclosure forbearance plan-sources	WASHINGTON, Feb 11 (Reuters) - Six of the largest U.S. mortgage lenders will announce on Tuesday a program to identify seriously delinquent borrowers and halt any foreclosure process while they try to work out a new payment scheme, sources	Business Wire	Fitch Upgrades Washington Mutual Card Services Credit Card Seller/Service Rating	NEW YORK - (BUSINESS WIRE) - Fitch Ratings has upgraded Washington Mutual Card Services (WMCS) Credit Card Seller/Service Rating to 'Proficient Plus' from 'Proficient'. The rating is based on the management team's extensive industry
2/12/2008	PR Newswire (U.S.)	Bank of America And Washington Mutual Directors to Face Election Challenge	Announcement Completes CtW's "Subprime Director" Focus List for 2008 Proxy Season WASHINGTON, Feb. 12 / PRNewswire/ -- Citing risk management failures that cost shareholders \$71 billion in 2007, the CtW Investment Group has called on three			
2/13/2008	Seattle Post-Intelligencer	WaMu Directors Questioned; Pension Group Asks Three Board Member About Subprime Crisis Role	A union-affiliated pension advisory group has sent letters to three Washington Mutual Inc. directors, asking them to explain their role in the subprime mortgage mess that has clobbered the company's earnings and stock price.			
2/14/2008	Business Wire	Fitch Upgrades 3 Classes of WAMU 2003-C1	Fitch Ratings has upgraded Washington Mutual Asset Securities Corporation (WAMU) commercial mortgage pass-through certificates, series 2003-C1. The rating upgrades reflect the increased subordination due to scheduled amortization and paydown since Fite			
2/22/2008	Reuters News	Reuters Summit-Freddie Mac CEO: Brokers need more regulation	(For other news from the Reuters Housing Summit, click on http://www.reuters.com/summit/Housing08?pid=500) NEW YORK, Feb 21 (Reuters) - Freddie Mac Chief Executive Richard Syron said on Thursday mortgage brokers should be more			
2/25/2008	Reuters News	REFILE-RESEARCH ALERT-Goldman cuts WaMu, Freddie Mac	(Refiles to clarify that Freddie Mac and Fannie Mae are mortgage finance companies, not mortgage lenders) Feb 25 (Reuters) - Goldman Sachs downgraded mortgage lender Washington Mutual Inc and mortgage finance firms Freddie Mac and			
2/27/2008	Business Wire	WaMu Celebrates Fifth Anniversary of Providing its Credit Card Customers with Free Access to Their FICO Credit Score	WaMu (NYSE:WM), the first, and currently the only, credit card issuer that provides its cardholders with free(a) online access to their FICO(®) credit score, is celebrating the fifth anniversary of the service in 2008.	M2 Presswire	Has added Washington Mutual Inc. to their watch list.	Today's activity has brought Washington Mutual Inc. on our radar. Early trading, Wednesday February 27, 2008, Washington Mutual Inc. was trading down \$0.40 with a trading volume surpassing 13,000,000. Wednesday February 27, 2008, WaMu, the first, and

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
2/28/2008	AFX Asia	Mortgage lenders fall; Thornburg Mortgage hits 5-week low	Shares of mortgage lenders fell sharply Thursday with Thornburg Mortgage Inc. slumping to a five-week low after the lender warned that the deterioration in the mortgage securities market has left it with "reduced readily available liquidity to meet fut			
3/3/2008	Market News International	Fannie Mae/Freddie Agree on Appraisals; Cuomo Probe Settled	Fannie Mae and Freddie Mac have reached an agreement with New York Attorney General Andrew Cuomo regarding fraudulent appraisals, effectively settling a probe into the government-sponsored enterprises' policies and procedures related to valuing proper	Home Equity Wire	JPM Scouting WaMu Assets	JPMorgan Chase & Co., New York, has agreed to purchase what it calls "certain intellectual property" belonging to Washington Mutual's warehouse lending division and is in the process of making job offers to some of the unit's warehouse executives, sour
3/4/2008	Business Wire	Fitch Downgrades \$2.3B from 2 Washington Mutual 2007 1st Lien Subprime Deals	Fitch Ratings has taken the following rating actions on Washington Mutual (WAMU) mortgage pass-through certificates. Unless stated otherwise, any bonds that were previously placed on Rating Watch Negative are now removed. Downgrades total \$2.3 billion.	Associated Press News	Washington Mutual declines as investors grow wary of exposure to bad debt	NEW YORK (AP) - Washington Mutual Inc. shares fell Tuesday along with most of the banking sector as concerns that financial services firms are still massively exposed to bad credit. . . .
3/5/2008	The Wall Street Journal	WaMu Board Shields Executives' Bonuses	The board of Washington Mutual Inc. has set compensation targets for top executives that will exclude some costs tied to mortgage losses and foreclosures when cash bonuses are calculated this year. . . .			
3/6/2008	Reuters News	UPDATE 1-S&P cuts Washington Mutual, may cut again	(Adds details) NEW YORK, March 6 (Reuters) - Standard & Poor's on Thursday cut its ratings on Washington Mutual Inc and said it may cut the company further, citing expectations that weakness in residential mortgages will be worse			
3/7/2008	Associated Press Newswires	Bear Stearns analyst cuts estimates for Wells Fargo, Washington Mutual, National City	NEW YORK (AP) - Shares of national and regional banks fell Thursday as fears of further deterioration in credit quality gripped the market. . . .	Reuters News	WaMu, other lenders seek private equity cash -WSJ	NEW YORK, March 7 (Reuters) - Washington Mutual Inc and other lenders have approached private-equity firms and sovereign-wealth funds to discuss cash infusions, according to the Wall Street Journal, citing people familiar with the
3/10/2008	Associated Press Newswires	Washington Mutual shares dive after S&P says loan crisis worse	SEATTLE (AP) - Standard & Poor's Ratings Services lowered its rating on a Washington Mutual Bank-backed bond issue Friday, a day after the agency cut its overall credit rating for the thrift. . . .	Reuters News	UPDATE 2-Fitch cuts WaMu rating, says may cut other banks	(Adds details) NEW YORK, March 7 (Reuters) - Fitch Ratings on Friday cut its ratings on Washington Mutual Inc, and said it may cut Bank of America Corp and Citigroup, due to their exposure to residential home loans. . . .
3/11/2008	Associated Press Newswires	Washington Mutual and Countrywide Financial rise as Fed offers to swap Treasury bonds for debt	NEW YORK (AP) - Shares of Washington Mutual Inc., Countrywide Financial Corp., and Discover Financial Services rose on Tuesday and helped send the Standard & Poor's 500 higher in midday trading. . . .	Investors Service Pre	Moody's downgrades WaMu's Covered Bonds ratings to Aa1 on review for possible downgrade	EUR 6 billion of securities downgraded Moody's Investors Service downgraded the ratings of the covered bonds issued by WM Covered Bond Program (the Program) to Aa1. The ratings remain on review for possible downgrade. . . .
3/13/2008	Reuters News	REFILE-WaMu gets capital offer from U.K. fund - report	(Refiles to widen distribution, with no change to headline or text) NEW YORK, March 12 (Reuters) - U.K. hedge fund Toscafund Asset Management LLP has approached Washington Mutual Inc, offering to participate in any consortium looking to			

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News Articles During the Class Period
Samples From Each Day Coded as Having WaMu Related News

Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
3/14/2008	Dow Jones News Service	UPDATE: Moody's Cuts WaMu Rating To One Step Above Junk	DOW JONES NEWSWIREs Moody's Investor Service cut Washington Mutual Inc.'s (WM) debt rating to one step above junk status due to the "the rapid deterioration of the residential housing sector in the first quarter."			
3/17/2008	Associated Press Newswires	Washington Mutual's CEO goes without 2007 bonus, still takes home \$14 million	SEATTLE (AP) - Washington Mutual Inc. Chief Executive Officer Kerry Killinger received compensation valued at \$14.4 million for 2007, 21 percent less than the previous year, as the nation's largest savings and loan struggled with	Dow Jones News Serv	WaMu Prevails In Anchor Savings Goodwill Litigation	DOW JONES NEWSWIREs Washington Mutual (WM) said a federal claims court awarded it \$382 million for damages, and an additional amount for taxes that will be determined by the court.
3/18/2008	Associated Press Newswires	Shares of mortgage lenders and thrift banks jump on Fed rate cut	NEW YORK (AP) - Shares of mortgage lenders and thrift banks jumped Tuesday after the Federal Reserve cut its target for interest rates. The Federal Reserve Tuesday afternoon cut its target for short-term interest rates to 2.25 percent			
3/20/2008	Moody's Investors Service Press Release	Moody's Upgrades the Ratings of Seven Classes of Washington Mutual Asset Securities Corp., Series 2003-C12	Moody's Investors Service upgraded the ratings of seven classes and affirmed the ratings of eight classes of Washington Mutual Asset Securities Corp., Series 2003-C1.			
3/27/2008	Reuters News	RESEARCH ALERT-Lehman triples Washington Mutual 2008 loss view	NEW YORK, March 27 (Reuters) - Washington Mutual Inc's expected 2008 loss was more than tripled on Thursday by Lehman Brothers Inc analyst Bruce Harting, who also boosted his forecast for credit losses at the largest U.S. savings and			
3/28/2008	Reuters News	Lender WaMu is safe for at least 2008-CreditSights	NEW YORK, March 27 (Reuters) - Mortgage lender Washington Mutual should have enough funds and financing to last through at least 2008, but its situation in 2009 is less certain, research firm CreditSights said on Thursday.			
4/1/2008	Mortgage Servicing News	WaMu Gets Downgraded2	Citing a worse mortgage market than expected even two months ago, Standard & Poor's has lowered the long-term counterparty credit ratings of Washington Mutual Inc., Seattle, and Washington Mutual Bank. WaMu's counterparty rating was downgraded from BBB	Business Wire	WaMu Set to Become Largest U.S. Issuer of Debit MasterCard® with PayPass™	WaMu expects to issue 12-15 million Debit MasterCard with PayPass cards in 2008, making it the nation's largest issuer (as of Q42007 there are more than 23 million PayPass cards and devices in circulation globally).
4/2/2008	Associated Press Newswires	Analyst: Banks must raise capital or face regulatory review as non-performing assets rise	NEW YORK (AP) - The rapid pace of asset quality deterioration may force some banks to raise capital fast, or face regulatory review, a Friedman, Billings, Ramsey analyst said Wednesday.			
4/3/2008	PR Newswire (U.S.)	CtW Inv Grp Welcomes Glass Lewis Recommendation Against Two WaMu Directors	WASHINGTON, April 3, 2008 /PRNewswire-USNewswire/ -- The CtW Investment Group announced today that Glass Lewis, a leading independent proxy voting advisory service, has recommended that its clients withhold their votes from nominees Mary E.			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
4/4/2008	Dow Jones News Service	Egan-Jones Advises WaMu Holders Vote Against 3 Directors	DOW JONES NEWSWIREs Egan-Jones Proxy Services recommended Washington Mutual Inc. (WM) shareholders withhold votes from three nominated directors and approve a shareholder proposal related to the director election process.			
4/7/2008	Reuters News	Washington Mutual sinks on mortgage loss worries	NEW YORK, April 4 (Reuters) - Washington Mutual Inc shares fell 11.5 percent on Friday after an analyst said mortgage and other credit problems will lead to a bigger 2008 loss, and may keep the largest U.S. savings and loan from making	Reuters News	UPDATE 4- Washington Mutual near \$5 bln TPG deal - sources	(Adds updated shares, comments, CtW investment) NEW YORK, April 7 (Reuters) - Washington Mutual Inc, the largest U.S. savings and loan, is close to obtaining a \$5 billion injection from investors led by private equity firm TPG Inc,
4/8/2008	Reuters News	WaMu finalising capital injection plan - WSJ	NEW YORK, April 8 (Reuters) - Washington Mutual Inc and its advisers on Monday were working out the final details of the plan for capital injection from investors led by private equity firm TPG, the Wall Street Journal reported online	Dow Jones News Service	WaMu Lays Off 3,000 Home-Loan Staff At 186 Locations	NEW YORK (Dow Jones)-- Washington Mutual Inc. (WM) said it has closed 186 home loan centers nationwide, and on Monday notified 3,000 employees that their jobs will be eliminated in the near future.
4/9/2008	Associated Press Newswires	Moody's no longer considering downgrading Washington Mutual	NEW YORK (AP) - Moody's Investors Service is no longer considering cutting Washington Mutual Inc.'s credit rating because the bank raised \$7 billion by selling stock, the ratings service said Tuesday.	Associated Press News Service	Analyst cuts WaMu rating, says \$7B capital infusion will not cover mounting credit losses	NEW YORK (AP) - Friedman, Billings, Ramsey & Co. slashed its price target on Washington Mutual Inc. on Wednesday, saying the national bank's recent \$7 billion capital infusion does not provide enough to counter mounting credit losses.
4/11/2008	Reuters News	UPDATE 2-WaMu faces \$14 bln losses, should be shorted-GS	(Adds Goldman's role in capital-raising, Washington Mutual unavailable for comment; updates shares)NEW YORK, April 11 (Reuters) - Washington Mutual Inc may have to set aside \$14 billion this year for credit losses, according to a Goldman			
4/14/2008	Seattle Post-Intelligencer	WAMU'S BATTLES INTENSIFY ; NO FEWER THAN 16 LAWSUITS FILED SO FAR AGAINST LENDER	The ongoing confrontation between Washington Mutual Inc.'s directors and executives and its investors unhappy with the company's financial and stock-market performance over the past six months will get a very public airing at Tuesday's	Associated Press News Service	Washington Mutual expects \$1.1 billion 1st-quarter loss, raising new capital	NEW YORK (AP) - Washington Mutual Inc. reports earnings for the fiscal first quarter on Tuesday. The following is a summary of key developments and analyst opinion related to the period.
4/15/2008	Business Wire	WaMu Closes \$7 Billion Equity Issuance, Strengthening Capital Position ; WaMu Reports First Quarter Net Loss Per Share of \$1.40, Reflecting Elevated Loan Loss Provisioning but Stable Revenues Declares Cash Dividend of...	SEATTLE - (BUSINESS WIRE) - On Apr. 14, WaMu (NYSE:WM) closed the previously announced \$7 billion capital issuance to TPG Capital and to other investors, including many of WaMu's top institutional shareholders. With the proceeds of the			
4/16/2008	Reuters News	WaMu sees \$12 bln-\$19 bln in 1-family charge-offs	NEW YORK, April 15 (Reuters) - Washington Mutual Inc, the largest U.S. savings and loan, expects to charge off \$12 billion to \$19 billion of its \$187 billion portfolio of single-family residential home loans in three to four years, Chief	Reuters News	UPDATE 2-Analysts widen '08 loss estimates on WaMu	(Adds details, Bear Stearns, Credit Suisse and UBS comments) April 16 (Reuters) - At least seven brokerages, including Punk Ziegel and Friedman Billings Ramsey, widened their 2008 loss-per-share view on Washington Mutual Inc on Wednesday,

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
4/17/2008	Associated Press Newswires	WaMu directors narrowly re-elected in shareholder vote	SEATTLE (AP) - Washington Mutual Inc. shareholders re-elected its entire board, despite efforts by some groups to oust the directors responsible for managing the thrift's exposure to risky subprime mortgages. . . .			
4/22/2008	Reuters News	Short Stocks: Bets build against WaMu, Gap	NEW YORK, April 21 (Reuters) - Short interest on the New York Stock Exchange rose 0.3 percent in mid-April, the exchange said on Monday, suggesting a slight increase in bearish sentiment in the stock market. . . .			
4/30/2008	Associated Press Newswires	WaMu replaces chief risk officer	SEATTLE (AP) - Washington Mutual Inc., hit hard by delinquencies and defaults, named a new chief risk officer Tuesday to help steer the nation's largest savings and loan through the fallout of the mortgage and credit crises. . . .			
5/1/2008	Business Wire	Fitch Affirms Ratings on 30 Washington Mutual Credit Card ABS Classes	NEW YORK - (BUSINESS WIRE) - Fitch Ratings affirms 30 classes of securities issued from the Washington Mutual Master Note Trust and the Washington Mutual Master Trust. The affirmation of these tranches completes the portfolio review that			
5/5/2008	Dow Jones Corporate Filings Alert	Washington Mutual Registers Shares For Holders	DOW JONES NEWSWIRES Washington Mutual Inc. (WM) on Monday filed with the Securities and Exchange Commission to allow for the sale of up to 36,642 shares of Series S convertible preferred stock from time to time by selling shareholders. . . .			
5/6/2008	Moody's Investors Service Press Release	Moody's Downgrades Certain WMALT Alt-A deals	Moody's Investors Service has downgraded the ratings of 82 tranches from 18 Alt-A transactions issued by Washington Mutual. Thirty nine tranches remain on review for possible further downgrade. Additionally, 150 tranches were placed on			
5/7/2008	Dow Jones News Service	Some Banks' Loan-Loss Estimates Use Rose-Tinted Housing Data	NEW YORK (Dow Jones)--Wachovia Corp.'s (WB) and Washington Mutual Inc.'s (WM) embrace of a government home-price index may help their reports of expected mortgage losses appear less dire than competitors'. . . .			
5/14/2008	Dow Jones News Service	WaMu COO: '08 Loan-Loan Provisions To Exceed Charge-Offs	DOW JONES NEWSWIRES Washington Mutual Inc. (WM) failed to foresee the speed and severity of the decline in U.S. house prices as the housing-market meltdown rocked the giant thrift, its president and operating chief said Wednesday. . . .			
5/16/2008	Reuters News	Gates Foundation reports Washington Mutual stake	WASHINGTON, May 15 (Reuters) - Microsoft Corp Chairman Bill Gates reported on Thursday that his foundation holds a 3 million share stake in Washington Mutual Inc and has doubled its stake in American International Group Inc. . . .			

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Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
5/21/2008	Moody's Investors Service Press Release	Moody's downgrades WaMu's Covered Bond rating to A2 on review, direction uncertain	Euro 6 billion of securities downgradedMoody's downgraded the rating of the Covered Bonds issued by WM Covered Bond Program (the Program) to A2, on review, with direction uncertain from Aa1 under review for possible downgrade. The downgrade			
5/22/2008	Seattle Post-Intelligencer	WARNING FROM WAMU:	Washington Mutual Inc., the biggest U.S. savings and loan, said Wednesday that provisions for bad loans related to the collapse of the subprime mortgage market will reach their highest point this year. "2008 will be the peak year for us in			
6/2/2008	Reuters News	UPDATE 4-WaMu strips CEO Killinger of chairman role	(Adds analyst comment)NEW YORK (Reuters) - Washington Mutual Inc, a national bank and home lender struggling to rebound after heavy mortgage losses, said Monday that it would strip Chief Executive Kerry Killinger of his title of chairman	Seattle Post-Intelligencer	WAMU DROPS TO NEARLY \$9 A SHARE ; STOCK'S CLOSING PRICE REGISTERS AS LOWEST SINCE APRIL 1995	Washington Mutual Inc. stock narrowly avoided closing below \$9 a share in trading Friday, but the company's shares are still down sharply not only from last year's prices but also from a mini rally they staged earlier this year.
6/3/2008	The Wall Street Journal	Wachovia and WaMu Feel the Credit Pinch -- Massey and Tesoro Lead Energy Gains; General Motors Rises	Stocks slid as the credit crunch returned, claiming an executive at bank Wachovia and hurting British lender Bradford & Bingley and U.S. lender Washington Mutual. and U.S. lender			
6/4/2008	Dow Jones News Service	Michael Solender Named WaMu's Chief Legal Officer	DOW JONES NEWSWIRES Washington Mutual Inc. (WM) named Michael S. Solender, former Bear Stearns Cos. general counsel, as executive vice president and chief legal officer.			
6/6/2008	AFX Asia	Washington Mutual falls to 13-yr low; other mortgage lenders decline2	Shares of Washington Mutual tumbled to a 13-year low Friday, amid increased concerns over the outlook for the U.S. consumer following disappointing jobs data and the latest spike in crude oil prices.			
6/9/2008	Reuters News	Washington Mutual shares drop on new housing fears	BOSTON (Reuters) - U.S. mortgage lender Washington Mutual Inc's shares tumbled as much as 17 percent on Friday to a 16-year low as investors feared the housing crisis would deepen in the wake of new disappointing economic data.	Reuters News	UPDATE 2-Bank shares tumble as analysts see higher losses	(For more on analysts' outlook for U.S. financial institutions, double click on [ID:nBNG327142]) (Recasts; adds details, Washington Mutual, analyst comments, stock prices, dateline, bylines)
6/10/2008	Dow Jones News Service	US Stocks: Lehman, WaMu Lead Financials Slide; Dow Bounces	Commodity stocks such as Alcoa helped the Dow Jones Industrial Average recover some losses, but the credit crunch burned again on Wall Street, with losses for Lehman Brothers Holdings, and on Main Street, with fears about Washington Mutual.Shares of Wa			
6/11/2008	Reuters News	WaMu stock falls on loss worries -analyst	NEW YORK, June 11 (Reuters) - Shares of Washington Mutual fell nearly 10 percent on Wednesday on concern about the extent of losses at the largest U.S. savings and loan, an analyst said.			

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Samples From Each Day Coded as Having WaMu Related News

Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
6/12/2008	Associated Press Newswires	Washington Mutual denies regulatory enforcement action	SEATTLE (AP) - After watching its shares reach a 16-year low Wednesday, Washington Mutual Corp. issued a statement denouncing speculation that it is the subject of any regulatory enforcement actions.			
6/17/2008	PR Newswire (U.S.)	With WaMu Shareholders Set to Vote On TPG-Led Buyout On June 24th, New Information Raises Concerns That TPG-Led Investment Could Pose...	WASHINGTON, June 17 /PRNewswire-USNewswire/ - Private equity powerhouse Texas Pacific Group (TPG) is leading a \$7 billion investment into troubled financial institution Washington Mutual (WaMu) which could drive up financial risks to			
6/18/2008	The Boston Globe	Banks have a bad day after analysts weigh in	MONEY & MARKETS / MASS. MOVERS Boston-based Wainwright Bank & Trust Co. and other banks fell yesterday after Goldman Sachs Group analysts said credit losses won't peak until 2009, the cost of new capital will climb, and potential			
6/19/2008	Business Wire	WaMu Commits an Additional \$1 Billion in Assistance to Help Borrowers ; Company Also Announces Streamlined Product Suite	SEATTLE - (BUSINESS WIRE) - Washington Mutual (NYSE:WM) today announced that it is dedicating an additional \$1 billion as part of its borrowers' assistance program designed to help WaMu homeowners with subprime mortgage loans stabilize	Dow Jones News Serv	Washington Mutual Ends 2 Types Of Complex Mortgages	DOW JONES NEWSWIREs Washington Mutual Inc. (WM) will discontinue two complex mortgage products as it cuts back on riskier loans amid the subprime mortgage mess and falling home prices.
6/24/2008	Reuters News	UPDATE 1-WaMu may face \$30 bln credit losses through 2011-Lehman	(Adds details, share movement) June 24 (Reuters) - Washington Mutual Inc may set aside as much as \$30 billion for credit losses through 2011, according to Lehman Brothers Inc analyst Bruce Harting, who increased his forecast for losses this	Business Wire	Fitch Affirms Washington Mutual's Commercial Mortgage Servicer Ratings	CHICAGO - (BUSINESS WIRE) - Fitch Ratings affirms Washington Mutual's commercial mortgage-backed securities (CMBS) primary servicer rating at 'CPS3+', its master servicer rating at 'CMS3', and its special servicer rating at 'CSS3'. The
6/25/2008	Reuters News	UPDATE 1-WaMu may avoid more capital raise - Bove	(Recasts, adds details) June 25 (Reuters) - Washington Mutual Inc may be able to withstand estimated losses of \$36 billion and remain in business, and avoid an additional capital raise, said Ladenburg Thalmann analyst Richard Bove, who			
6/26/2008	Dow Jones International News	JPMorgan Has Compiled List For Possible Bank Acquisition -NY Post	DOW JONES NEWSWIREs JPMorgan Chase & Co. (JPM) has compiled a list of banks for a potential acquisition, with Washington Mutual Inc. (WM) and SunTrust Banks Inc. (STI) at the top, the New York Post reported on its Web site Thursday,			
7/1/2008	Associated Press Newswires	Washington Mutual replaces retail banking exec	SEATTLE (AP) - Washington Mutual Inc., the nation's largest savings and loan, said Monday it replaced the president of its retail banking division, James Corcoran.			
7/2/2008	Business Wire	WaMu Announces Conversion of Series S and Series T Preferred Stock	SEATTLE - (BUSINESS WIRE) - Washington Mutual, Inc. (NYSE:WM) announced the conversion of its Series S and Series T Contingent Convertible Perpetual Non-Cumulative Preferred Stock into common stock following the overwhelming approval by			

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Samples From Each Day Coded as Having WaMu Related News

Market Date	Source 1	Headline 1	News Clip 1	Source 2	Headline 2	News Clip 2
7/10/2008	Chicago Tribune	Banking on new technology; Washington Mutual among institutions adding mobile services to directly link phones, money2	Seattle-based Washington Mutual is the latest financial institution to join the mobile-banking movement, announcing on Wednesday new services that use text-messaging to help customers check account balances and view recent transactions.			
7/14/2008	Maeil Business Newspaper	Many More Bank Failures Likely after IndyMac	U.S. banks may fail in far greater numbers following the collapse of the big mortgage lender IndyMac Bancorp Inc, straining a financial system seeking stability after years of lending excesses, reported Reuters.			
7/15/2008	Dow Jones News Service	Washington Mutual Provides Statement On The Strength Of Its Cap And Liquidity Position	DOW JONES NEWSWIRESWashington Mutual Inc. (WM), responding to uncertainty in the marketplace, said it significantly exceeds all regulatory "well-capitalized" minimums for depository institutions and has excess liquidity of more than \$40	nes Capital Markets	Washington Mutual Credit Protection Costs Hit Record High	NEW YORK (Dow Jones)--Credit derivatives traders sent the cost of credit protection on embattled bank Washington Mutual Inc. (WM) to a record high Tuesday even as the stock of the nation's largest thrift rallied 18%.
7/16/2008	Business Wire	Fitch Places Certain Washington Mutual Credit Card Notes on Rating Watch Negative	Fitch Ratings has today placed two certificates from the Washington Mutual Master Trust and two notes from Washington Mutual Master Note Trust on Rating Watch Negative.The rating actions are a result of a significant increase in delinquencies and charg	The News Tribune	Washington Mutual rebounds slightly after reassurance	Shares of Washington Mutual recovered a bit Tuesday from the biggest drop in more than two decades after the thrift told investors that it's "well-capitalized."
7/17/2008	Associated Press Newswires	Washington Mutual shares rise sharply	NEW YORK (AP) -			
7/22/2008	Moody's Investors Service Press Release	Moody's reviews WaMu for downgrade	Moody's Investors Service placed the ratings of Washington Mutual, Inc. (senior unsecured rating of Baa3) and Washington Mutual Bank (financial strength rating of C-, long term deposit rating of Baa2, and short term rating of Prime-2) under			
7/23/2008	Business Wire	WaMu Reports Significant Build-Up of Reserves Contributing to Second Quarter Net Loss of \$3.3 Billion ; Company Increases Capital Levels Company...	SEATTLE - (BUSINESS WIRE) - WaMu (NYSE:WM) today announced a second quarter 2008 net loss of \$3.33 billion as it significantly increased its loan loss reserves by \$3.74 billion to \$8.46 billion. The quarter's loss compares with the first	Reuters News	S&P cuts Washington Mutual to just above junk	NEW YORK, July 23 (Reuters) - Standard & Poor's on Wednesday cut its counterparty credit rating on Washington Mutual Inc to just a notch above junk on the thrift's higher than expected second-quarter losses.

Appendix C

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLEIN RE WASHINGTON MUTUAL, INC.
SECURITIES LITIGATION

This Document Relates to: ALL ACTIONS

No. 2:08-md-1919 MJP

Lead Case No. C08-387 MJP

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED
SETTLEMENTS, (II) SETTLEMENT FAIRNESS HEARING, AND (III) MOTION FOR AN
AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES*****A Federal Court Authorized This Notice. This is not a solicitation from a lawyer.¹***

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by a class action lawsuit (the "Action") pending in the United States District Court for the Western District of Washington at Seattle (the "Court") if, during the period from October 19, 2005 to July 23, 2008 (the "Class Period"), you purchased or otherwise acquired any of the following securities (the "WMI Class Securities") issued by Washington Mutual, Inc. ("WMI" or the "Company") or its subsidiaries, and were damaged thereby:

- WMI common stock (CUSIP 939322103)
- Floating Rate Notes due August 24, 2009, offered in August 2006 (CUSIP 939322AW3) ("Floating Rate Notes")
- 7.250% Subordinated Notes due November 1, 2017, offered in October 2007 (CUSIP 939322AY9) ("7.250% Notes")
- 7.75% Series R Non-Cumulative Perpetual Convertible Preferred Stock, offered in December 2007 (CUSIP 939322814) ("Series R Stock")
- Washington Mutual Capital Trust 2001's 5.375% Trust Preferred Income Equity Redeemable Securities (PIERS) Units, maturing July 1, 2041 (CUSIP 939322848) ("Capital Trust Unit Preferred")

NOTICE OF SETTLEMENTS: Please also be advised that the Court-appointed Lead Plaintiff, Ontario Teachers' Pension Plan Board, on behalf of itself and the Class (defined in paragraph 28 below), has reached three proposed all-cash settlements of the Action, as follows: (i) a \$105 million settlement with the Individual Defendants (identified in paragraph 1 below) whereby WMI is also a Settling Defendant (the "D&O/WMI Settlement"); (ii) an \$85 million settlement with the Underwriter Defendants (identified in paragraph 1 below) (the "Underwriters Settlement"); and (iii) an \$18.5 million settlement with Deloitte & Touche LLP ("Deloitte") (the "Deloitte Settlement") (collectively, the "Settlements"). The total amount of the Settlements is \$208.5 million, plus interest thereon. If all of the Settlements are approved by the Court, they will resolve all claims in the Action by Class Members against the Settling Defendants (including WMI) as well as other Released Defendant Parties, as defined in paragraph 73 below and the Bankruptcy Claims against WMI in the Chapter 11 Cases (as described in paragraphs 13 and 72 below).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from each of the three Settlements if each is approved by the Court. If you are a Class Member, your legal rights will be affected whether or not you act.

1. **Overview of the Action and the Class:** This Notice relates to three separate proposed Settlements of claims in a pending class action brought by investors alleging that the prices of WMI's securities were artificially inflated during the Class Period as a result of false statements, non-disclosures, and fraudulent conduct in violation of the federal securities laws. A more detailed description of the Action is set forth in paragraphs 14 – 27 below. The "Settling Defendants" are: (a) Kerry K. Killinger, Thomas W. Casey, Stephen J. Rotella, Ronald J. Cathcart, David C. Schneider, John F. Woods, Melissa J. Ballenger, Anne V. Farrell, Stephen E. Frank, Thomas C. Leppert, Charles M. Lillis, Phillip D. Matthews, Regina Montoya, Michael K. Murphy, Margaret Osmer McQuade, Mary E. Pugh, William G. Reed, Jr., Orin C. Smith, James H. Stever and Willis B. Wood, Jr. (the "Individual Defendants"); (b) Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated (now known as Morgan Stanley & Co. LLC), Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., UBS Securities LLC, J.P. Morgan Securities Inc., Barclays Capital Inc., Keefe, Bruyette & Woods, Inc., Cabrera Capital Markets, LLC, The Williams Capital Group, L.P., Citigroup Global Markets, Inc., Greenwich Capital Markets, Inc. (now known as RBS Securities Inc.), BNY Mellon Capital Markets LLC (successor to BNY Capital Markets, Inc.), and Samuel A. Ramirez & Company, Inc. (the "Underwriter Defendants"); (c) Deloitte, and (d) WMI.²

The proposed Settlements each provide for the release of claims against the Settling Defendants in the respective Settlements and others as specified in (i) "Stipulation and Agreement of Settlement with Individual Officer and Director Defendants and with Washington Mutual, Inc." dated June 30, 2011 (the "D&O/WMI Stipulation"); (ii) "Stipulation and Agreement of Settlement with the Underwriter Defendants" dated June 30, 2011 (the "Underwriters Stipulation"); and (iii) "Stipulation and Agreement of Settlement with

¹ All capitalized terms that are not defined in this Notice have the meaning ascribed to them in the respective Stipulations and Agreements of Settlement (the "Stipulations"), which are available on the website established for the Settlements at www.WashingtonMutualSecuritiesLitigationSettlement.com and on Lead Counsel's website www.blbgllaw.com.

² WMI was named as a defendant in the Action but, because it filed a petition for bankruptcy, the Action was automatically stayed against it under the Bankruptcy Code, 11 U.S.C. § 362(a). Lehman Brothers Inc. ("Lehman") was also named as a defendant in the Action, but on September 19, 2008, a proceeding was commenced under the Securities Investor Protection Act of 1970 (SIPA) with respect to Lehman and, as a result, all proceedings against it have also been stayed. Lehman is not a Settling Defendant and is not being released pursuant to the terms of the Settlements.

Defendant Deloitte & Touche LLP" dated June 30, 2011 (the "Deloitte Stipulation"). All persons and entities who purchased or otherwise acquired WMI Class Securities during the Class Period and were damaged thereby, except for certain persons and entities who are excluded from the Class by definition (see paragraph 28 below) or persons and entities who validly elect to exclude themselves from the Class (see paragraphs 82 - 84 below), will be affected by the Settlements, if they are approved by the Court, and may be eligible to receive a payment from some or all of the Settlements.

2. **The Class's Recovery:** Subject to approval by the Court, and with respect to the D&O/WMI Settlement, entry of the Bankruptcy Court Approval Order by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and such order becoming Final (as discussed in paragraph 13 below) and as described more fully below, Lead Plaintiff, on behalf of itself and the Class, has agreed to settle all claims based on the allegations asserted in the Action that were or could have been asserted against the Settling Defendants and other Released Defendant Parties and/or that relate to the purchase, acquisition or holding during the Class Period of the WMI Class Securities and certain other WMI securities as to which claims were asserted in the Action but were dismissed by the Court,³ in exchange for a total of \$208.5 million in cash. Lead Plaintiff has agreed to settle with the Individual Defendants and include WMI as a Settling Defendant for \$105 million in cash, with the Underwriter Defendants for \$85 million in cash, and with Deloitte for \$18.5 million in cash. The claims asserted against the Individual Defendants were brought pursuant to both the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act") while the claims against the Underwriter Defendants and Deloitte were asserted pursuant only to the Securities Act. Subject to certain contingencies explained in the Plan of Allocation set forth below, only those Class Members who are entitled to assert Securities Act claims will be eligible to participate in the Net Settlement Funds created by the Settlements with the Underwriter Defendants and Deloitte, and only those Class Members who are entitled to assert Exchange Act claims will be eligible to participate in the Net Settlement Fund created by the D&O/WMI Settlement. The Settlement Amounts for each of the Settlements will be deposited into separate interest-bearing escrow accounts for the benefit of Class Members (the "Settlement Funds"). The respective Net Settlement Funds (the Settlement Funds less any Taxes, any Notice and Administration Costs and any attorneys' fees and Litigation Expenses awarded by the Court) will be distributed in accordance with the plan of allocation that is approved by the Court, which will determine how the Net Settlement Funds shall be allocated among members of the Class who, by virtue of the claims they could assert, are eligible to participate in the distribution of the respective Net Settlement Funds and who submit timely and valid Proof of Claim and Release Forms (a "Claim Form"). The proposed plan of allocation (the "Plan of Allocation") is included in this Notice at pages 7 to 12.

3. **Estimate of Average Amount of Recovery Per Share or Note:** Lead Plaintiff's damages expert estimates that approximately 1.433 billion shares of WMI common stock, 461,900 Floating Rate Notes, 625,750 7.250% Notes, 10.227 million shares of Series R Stock, and 37,483,400 units of Capital Trust Unit Preferred purchased during the Class Period may have been affected by the conduct at issue in the Action. Because the number of affected common stock shares is so large – exceeding 1.4 billion shares – if all eligible Class Members elect to participate in the Settlements and all of the Settlements are approved, the estimated average recovery per eligible share, note or unit would be approximately \$0.07 per share of common stock; \$0.33 per \$100 face value of Floating Rate Notes; \$0.47 per \$100 face value of 7.250% Notes; \$9.68 per share of Series R Stock; and \$0.10 per unit of Capital Trust Unit Preferred before the deduction of Court-awarded attorneys' fees and expenses, and the costs of providing notice and administering the Settlements. Class Members should note, however, that these are only estimates based on the overall number of potentially affected shares, notes and units. Some Class Members may recover more or less than these estimated amounts.

4. **Average Amount of Damages Per Share:** The parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the Action. The Settling Defendants do not agree with the assertion that they engaged in any actionable conduct under the federal securities laws or that any damages were suffered by any members of the Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, who have been prosecuting this Action on a wholly contingent basis since its inception in 2008, have not received any payment of attorneys' fees for their representation of the Class and they have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in the amount of 22.5% of each Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the prosecution and resolution of the claims against the Settling Defendants, in an amount not to exceed \$5.8 million (which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Class). Any fees and expenses awarded by the Court will be paid from the Settlement Funds. Class Members are not personally liable for any such fees or expenses. If all the Settlements are approved, and Lead Counsel's fee and expense application is granted, the average cost per share, note or unit of these fees and expenses will be approximately \$0.02 per share of common stock; \$0.08 per \$100 face value of Floating Rate Notes; \$0.12 per \$100 face value of 7.250% Notes; \$2.45 per share of Series R Stock; and \$0.03 per unit of Capital Trust Unit Preferred.⁴

6. **Identification of Attorneys' Representative:** Lead Plaintiff and the Class are being represented by Hannah G. Ross, Esq. of Bernstein Litowitz Berger & Grossmann LLP. Any questions regarding the Action or the Settlements should be directed to Ms. Ross at Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, (800) 380-8496, blbg@blbglaw.com.

³ The additional securities as to which Class Members' claims are being released with respect to their purchases, acquisitions or holdings during the Class Period are the 5.50% Notes due August 24, 2011 offered in WMI's August 2006 Offering (CUSIP 939322AX1) ("5.50% Notes") and the Series K perpetual non-cumulative preferred stock offered in WMI's September 2006 Offering (CUSIP 939322830) ("Series K Stock"). The WMI Class Securities and the additional securities as to which claims are being released are referred to as the "WMI Released Securities."

⁴ Should the Court approve less than all the Settlements, attorneys' fees will be paid only on the Settlement Fund(s) created by the approved Settlement(s). The Litigation Expenses approved by the District Court will be paid from the Settlement Fund(s) created by the approved Settlement(s).

YOUR LEGAL RIGHTS AND OPTIONS IN THESE SETTLEMENTS:

SUBMIT A CLAIM FORM BY DECEMBER 8, 2011.	This is the only way to be eligible to get a payment from the Settlements. If you are a Class Member and you remain in the Class, you will be bound by the Settlements as approved by the Court and you will give up any "Settled Claims" (as defined below) that you have against the Settling Defendants and the other "Released Defendant Parties" (as defined below), so, if you remain in the Class, it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 10, 2011.	If you exclude yourself from the Class, you will not be eligible to get any payment from any of the Settlement Funds. This is the only option that allows you ever to be part of any other lawsuit against any of the Settling Defendants or the other Released Defendant Parties concerning the Settled Claims.
OBJECT TO THE SETTLEMENTS BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 10, 2011.	If you do not like one or more of the proposed Settlements, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlements, the Plan of Allocation or the fee and expense request unless you are a Class Member and do not exclude yourself.
GO TO A HEARING ON NOVEMBER 4, 2011 AT 9:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 15, 2011.	Filing a written objection and notice of intention to appear allows you to speak in Court about the fairness of the Settlements, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and speak to the Court about your objection.
DO NOTHING.	If you are a member of the Class and you do not submit a Claim Form by December 8, 2011, you will not be eligible to receive any payment from any of the Settlements. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlements and you will be bound by any Judgments or Orders entered by the Court in this Action.

[END OF COVER PAGE]**WHAT THIS NOTICE CONTAINS**

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WHY DID I GET THIS NOTICE?

7. This Notice is being sent to you pursuant to an Order of the United States District Court for the Western District of Washington because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired WMI Class Securities (defined on page 1) during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlements. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlements and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlements and the Court-approved plan of allocation after any objections and appeals are resolved.

8. In a class action lawsuit, the court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any persons who choose to exclude

themselves from the class. In this Action, the Court appointed Ontario Teachers' Pension Plan Board to serve as "Lead Plaintiff" under a federal law governing lawsuits such as this one, and approved Lead Plaintiff's selection of the law firm of Bernstein Litowitz Berger & Grossmann LLP ("Lead Counsel") to serve as Lead Counsel in the Action. The Court certified the Action to proceed as a class action and certified Lead Plaintiff and additional named plaintiffs Pompano Beach Police and Firefighters' Retirement System, Brockton Contributory Retirement System, and Police and Fire Retirement System of the City of Detroit (collectively, "Plaintiffs") as representatives for the Class. (For more information on excluding yourself from the Class, please read "What If I Do Not Want To Participate In The Settlements? How Do I Exclude Myself?," on page 14 below.)

9. The court in charge of this case is the United States District Court for the Western District of Washington, and the case is known as *In re Washington Mutual, Inc. Securities Litigation*, No 2:08-md-1919 MJP, Lead Case No. C08-387 MJP. The Judge presiding over this case is the Honorable Marsha J. Pechman, United States District Judge. The persons or entities that are suing are called plaintiffs, and those who are being sued are called defendants. If all three proposed Settlements are approved, they will resolve all claims in the Action by Class Members against the Settling Defendants and will bring the Action to an end.

10. This Notice explains the lawsuit, the Settlements, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Class if you wish to so do. It is also being sent to inform you of the terms of the proposed Settlements, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlements, the proposed Plan of Allocation and the motion by Lead Counsel for attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing").

11. The Settlement Hearing will be held on November 4, 2011 at 9:00 a.m., before the Honorable Marsha J. Pechman at the United States District Court for the Western District of Washington, United States Courthouse, 700 Stewart Street, Seattle, WA 98101 to determine:

- (a) whether the proposed Settlements are fair, reasonable and adequate and should be approved by the Court;
- (b) whether all claims asserted in the Action against the Settling Defendants should be dismissed with prejudice and all Settled Claims against the Settling Defendants and the other Released Defendant Parties should be released as set forth in the respective Stipulations;
- (c) whether the proposed Plan of Allocation is fair and reasonable, and should be approved by the Court; and
- (d) whether Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved by the Court.

12. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve each of the Settlements. If the Court approves the Settlements and a plan of allocation, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

13. The D&O/WMI Settlement also is conditioned on the entry of the Bankruptcy Court Approval Order by the Bankruptcy Court (and on such Order becoming Final) which is overseeing WMI's bankruptcy case, jointly administered in the Bankruptcy Court with the bankruptcy case of WMI Investment Corp. as *In re Washington Mutual Inc.*, Case No. 08-12229 (MFW) (collectively the "Chapter 11 Cases"). The Bankruptcy Court Approval Order will, among other things, authorize, to the extent necessary, the use of proceeds from officers' and directors' insurance policies for the payment and funding of the \$105,000,000 Settlement Amount of the D&O/WMI Settlement. If the Bankruptcy Court Approval Order is not entered or does not become Final, the D&O/WMI Settlement will not go forward and the parties to the D&O/WMI Stipulation will be restored to their respective positions as of March 23, 2011.

WHAT IS THE CASE ABOUT? WHAT HAS HAPPENED SO FAR?

14. The Action is a class action alleging violations of the federal securities laws by various persons, including WMI, the Individual Defendants, the Underwriter Defendants, and Deloitte.

15. Beginning in November 2007, class action complaints on behalf of purchasers of certain WMI securities were filed in the United States District Court for the Southern District of New York against WMI and certain of its officers and directors alleging violations of the Exchange Act with respect to public disclosures concerning the lending practices and financial condition of WMI. In early 2008, pursuant to an order of the United States Judicial Panel on Multidistrict Litigation, these actions, together with a number of related actions, were transferred to the United States District Court for the Western District of Washington. On May 7, 2008, the Court entered an Order consolidating the transferred actions and any related pending or subsequently filed securities actions into this Action; appointed Ontario Teachers' Pension Plan Board as Lead Plaintiff, Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel and Byrnes Keller Cromwell LLP as Liaison Counsel for Plaintiffs; and ordered that Lead Plaintiff file an amended complaint.

16. On August 5, 2008, Lead Plaintiff filed the Consolidated Class Action Complaint (the "Consolidated Complaint"), which included Brockton Contributory Retirement System as an additional named plaintiff. The Consolidated Complaint asserted claims against WMI and certain of the Individual Defendants under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, alleging that these defendants made, or controlled others who made, materially false and misleading statements about the effectiveness of WMI's risk management procedures, the fairness and reliability of the appraisals received in connection with WMI's loans, the quality of WMI's mortgage underwriting practices and WMI's financial results, including the appropriate allowances for its loan losses, and that these false and misleading statements had caused the prices of WMI's securities to be artificially inflated during the Class Period. The Consolidated Complaint also asserted claims against WMI, the Underwriter Defendants, Deloitte and certain of the Individual Defendants under Section 11 of the Securities Act of 1933 (the "Securities Act"); against WMI and the Underwriter Defendants under Section 12(a)(2) of the Securities Act; and against certain of the Individual Defendants under Section 15 of the Securities Act alleging that the defendants named in the Securities Act claims were

statutorily liable for materially untrue statements and misleading omissions in the registration statement and offering documents for several public securities offerings that WMI conducted during the Class Period.

17. On September 26, 2008, WMI filed a petition for bankruptcy under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, causing the Action to be stayed against it pursuant to 11 U.S.C. § 362(a).

18. On December 8, 2008, all of the Settling Defendants (other than WMI, against which the Action had been stayed) filed motions to dismiss the Consolidated Complaint. Lead Plaintiff opposed the motions and, on May 15, 2009, the Court entered an order granting in part and denying in part the motions to dismiss and ordering that certain claims be re-pled.

19. On June 15, 2009, Lead Plaintiff filed the Amended Consolidated Class Action Complaint (the "Amended Complaint"). In addition to Lead Plaintiff and named plaintiff Brockton Contributory Retirement System, the Amended Complaint included Pompano Beach Police and Firefighters' Retirement System, Mr. Harlan Seymour, and Police and Fire Retirement System of the City of Detroit as additional named plaintiffs. Like the Consolidated Complaint, the Amended Complaint asserted claims under Sections 10(b), 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder; and under Sections 11, 12(a)(2) and 15 of the Securities Act and alleged claims substantially similar to those in the Consolidated Complaint.

20. On July 17, 2009, all of the Settling Defendants (other than WMI) moved to dismiss the Amended Complaint. The motions were fully briefed and argued to the Court and, on October 27, 2009, the Court entered an Order sustaining the Exchange Act claims against all the Defendants against whom they were asserted but dismissed certain of the Securities Act claims.

21. On January 15, 2010, all of the Settling Defendants (other than WMI) filed answers to the Amended Complaint.

22. On April 30, 2010, Lead Plaintiff filed a motion for class certification which was fully briefed and argued to the Court. On October 12, 2010, the Court entered an Order certifying the Action as a class action, certifying Lead Plaintiff and additional named plaintiffs Pompano Beach Police and Firefighters' Retirement System, Brockton Contributory Retirement System, and Police and Fire Retirement System of the City of Detroit as class representatives, and appointing Lead Counsel as Class Counsel. The Court excluded one named plaintiff from the class and the Series K Stock from the Class.⁵ The definition of the Class is set forth in paragraph 28 below.

23. On December 1, 2010, the Underwriter Defendants moved for judgment on the pleadings, a motion in which all other Settling Defendants (other than WMI) joined, contending that the remaining Securities Act claims relating to the August 2006 and the December 2007 offerings were barred by the statute of limitations. The Court, after hearing oral argument, denied the motion on January 28, 2011.

24. Pursuant to the Court's Order dated November 25, 2009, the parties were directed to engage in mediation to determine whether a consensual resolution of the Action could be achieved.

25. Lead Plaintiff and the Settling Defendants (other than WMI) engaged in extensive arm's-length negotiations that included participation by their respective counsel in multiple mediation sessions in February and March 2011 with an experienced mediator, a former Federal District Judge, Layn R. Phillips. With Judge Phillips' assistance, Lead Plaintiff reached agreements-in-principle to settle with the Individual Defendants on March 23, 2011; with Deloitte on March 24, 2011; and with the Underwriter Defendants on March 30, 2011.

26. Before agreeing to the Settlements, Lead Counsel had conducted an extensive investigation into the events and transactions underlying the claims alleged in the Amended Complaint and had also conducted extensive discovery. Lead Counsel analyzed the evidence adduced during its investigation and through discovery, which included almost 500 witness interviews, review of over 23 million pages of documents produced by Defendants and others, and dozens of depositions; consulted with numerous experts, including experts in accounting and auditing, risk management, loss reserve modeling, statistical analysis and damages; and researched the applicable law with respect to the claims of Lead Plaintiff and the Class against the Settling Defendants and their potential defenses. At the time the agreements to settle were reached, Lead Counsel had a thorough understanding of the strengths and weaknesses of Lead Plaintiff's and the Settling Defendants' positions based on the extensive investigation and discovery, the briefing of the multiple motions to dismiss and the class certification motion, and the preparation of several detailed mediation statements as well as the review of mediation statements prepared by Settling Defendants. Lead Counsel and Lead Plaintiff believe that each of the proposed Settlements is fair, reasonable and adequate, and in the best interests of the Class.

27. On July 21, 2011, the Court entered an Order Preliminarily Approving Proposed Settlements and Providing for Notice, which preliminarily approved the Settlements, authorized this Notice be sent to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlements.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENTS?

28. If you are a member of the Class, you are subject to the Settlements, unless you timely request to be excluded. The Class consists of:

All persons and/or entities who purchased or otherwise acquired the following securities issued by WMI and its subsidiaries: WMI common stock (CUSIP 939322103); Floating Rate Notes offered in WMI's August 2006 Offering (CUSIP 939322AW3); the 7.250% Notes offered in WMI's October 2007 Offering (CUSIP 939322AY9); the 7.75%

⁵ Former defendant Banc of America Securities LLC ("BOA"), which was sued as one of the Underwriter Defendants, underwrote only the Series K Stock offering, was dismissed from the Action as a result of the District Court's October 12, 2010 Order. BOA is a Released Defendant Party in the Underwriters Settlement.

Series R Non-Cumulative Perpetual Convertible Preferred Stock offered in WMI's December 2007 Offering (CUSIP 939322814); and Washington Mutual Capital Trust 2001's 5.375% Trust Preferred Income Equity Redeemable Securities (PIERS) Units, maturing 7/1/2041 ("Capital Trust Unit Preferred") (CUSIP 939322848) (collectively, the "WMI Class Securities") from October 19, 2005 to July 23, 2008 (the "Class Period"), and were damaged thereby.

Excluded from the Class are (i) Defendants; (ii) members of the Immediate Family of each Individual Defendant; (iii) any other person who was an officer or director of WMI, Deloitte, any of the Underwriter Defendants, Lehman, or BOA during the Class Period; (iv) any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest; (v) any person who participated in the wrongdoing alleged in the Action; (vi) TPG Capital and other purchasers of equity securities issued by WMI in connection with the \$7 billion capital issuance pursuant to the agreements entered into by and among TPG Capital and WMI and other investors, announced by the Company on April 8, 2008 (the "TPG Deal"), to the extent that such purchasers exercised distinct rights and diligence opportunities afforded them in connection with the TPG Deal; and (vii) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any such excluded party, provided that any Investment Vehicle shall not be deemed an excluded person or entity by definition.⁶ Also excluded from the Class are any persons or entities who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in this Notice. See "What if I Do Not Want to Participate in the Settlements? How Do I Exclude Myself?" on page 14 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENTS. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENTS, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN DECEMBER 8, 2011.

WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENTS?

29. Lead Plaintiff and Lead Counsel believe that the claims asserted against the Settling Defendants have merit. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against these defendants through trial and appeals, as well as the difficulties in establishing liability and damages at trial. Lead Plaintiff and Lead Counsel have also taken into account the possibility that the claims asserted in the Amended Complaint might have been dismissed in response to the Settling Defendants' anticipated motions for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Action, including whether certain of the Settling Defendants acted with an intent to mislead investors, whether all of Class Members' losses were caused by the alleged misrepresentations or omissions and the amount of damages. Lead Plaintiff and Lead Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of the appeals that were certain to be taken (which could take years to resolve), certain of the Settling Defendants may not have been able to pay an amount significantly larger than their respective Settlement Amount or even as much as the Settlement Amount. The Action has been stayed against WMI because of the Company's filing for bankruptcy and the Individual Defendants' ability to pay as well as the limited potential for any recovery from the Bankruptcy Claims asserted in the Chapter 11 Cases were significant factors that Lead Plaintiff had to take into account, given the fact that the insurance coverage provided to these defendants by the directors' and officers' policies was a "wasting asset" which would have continued to be depleted by the costs of this and other ongoing litigation.

30. In light of the amount of the Settlements and the immediacy of recovery to the Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlements are fair, reasonable and adequate. Indeed, Lead Plaintiff and Lead Counsel believe that the Settlements achieved are excellent results and in the best interests of the Class. The Settlements, which total \$208.5 million in cash (less the various deductions described in this Notice), individually and collectively provide substantial benefits now as compared to the risk that a similar, smaller, or no recoveries would be achieved after a trial and appeals, possibly years in the future.

31. The Settling Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. The Settling Defendants have agreed to the Settlements solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlements may not be construed as an admission of any wrongdoing by any of the Settling Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENTS?

32. If there were no Settlements and Plaintiffs failed to establish any essential legal or factual element of their claims against the Settling Defendants, neither they nor the Class would recover anything from the Settling Defendants. Also, if the Settling Defendants were successful in proving any of their defenses, the Class could recover substantially less than the amounts provided in the Settlements, or nothing at all. Additionally, with respect to the D&O/WMI Settlement in particular, even if Plaintiffs prevailed at trial, and obtained a judgment in excess of the Settlement Amount, recovery on the judgment would have been unlikely. The insurance coverage available to the Individual Defendants is a wasting asset and any recovery out of the Chapter 11 Cases is unlikely. The ongoing prosecution of the Action against the Individual Defendants as well as other costs being paid from these policies in connection with other ongoing litigation and investigations is fast depleting the amount of insurance coverage. Even if Lead Plaintiff prevailed at trial and on the appeal that was sure to follow, by the time Lead Plaintiff could seek to enforce the judgment, the coverage would have

⁶ "Investment Vehicle" means any investment company or pooled investment fund, including but not limited to, mutual fund families, exchange-traded funds, fund of funds and hedge funds, in which any Underwriter Defendant, BOA or Lehman has or may have a direct or indirect interest, or as to which its affiliates may act as an investment advisor but in which the Underwriter Defendant, BOA or Lehman or any of their respective affiliates is not a majority owner or does not hold a majority beneficial interest. This definition does not bring into the Class any of the Underwriter Defendants, BOA or Lehman.

been seriously depleted, if not exhausted entirely. Thus, a victory at trial or on appeal against these defendants could well have resulted in a smaller recovery or no recovery at all.

HOW MUCH WILL MY PAYMENT BE?

33. At this time, it is not possible to make any determination as to how much a Class Member may receive from the Settlements.

34. Pursuant to the Settlements, the Contributing Insurers have agreed to pay \$105 million in cash with respect to the D&O/WMI Settlement; the Underwriter Defendants have agreed to pay \$85 million in cash; and Deloitte has agreed to pay \$18.5 million in cash. The Settlement Amounts will be deposited into interest-bearing escrow accounts (the "Settlement Funds"). If the Settlements are approved by the Court, the Net Settlement Funds (*i.e.*, the Settlement Funds less (a) all federal, state and local taxes on any income earned by the Settlement Funds and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Funds (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing Notice to Class Members and administering the Settlements on behalf of Class Members; and (c) any attorneys' fees and expenses awarded by the Court) will be distributed to Class Members as set forth in the proposed plan of allocation (the "Plan of Allocation") or such other plan as the Court may approve.

35. After approval of the Settlements by the Court and upon satisfaction of the other conditions to the Settlements, the Net Settlement Funds will be distributed to Authorized Claimants in accordance with the plan of allocation approved by the Court. The Net Settlement Funds will not be distributed until the Court has approved a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

36. Neither Settling Defendants nor any other person or entity that paid any portion of the Settlement Amounts on any of their behalves are entitled to get back any portion of the respective Settlement Funds once the Court's Order or Judgment approving the relevant Settlement becomes Final. Settling Defendants shall not have any liability, obligation or responsibility for the administration of the Settlements or disbursement of the Net Settlement Funds or the Plan of Allocation.

37. Approval of the Settlements is independent from approval of the plan of allocation. Any determination with respect to the plan of allocation will not affect the Settlements, if approved.

38. Only those Class Members who purchased or otherwise acquired WMI Class Securities during the Class Period **AND WERE DAMAGED AS A RESULT OF SUCH PURCHASES OR ACQUISITIONS**, will be eligible to share in the distribution of the Net Settlement Funds. Each person wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Class, and including all required documentation, postmarked on or before December 8, 2011 to the address set forth in the Claim Form that accompanies this Notice.

39. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked on or before December 8, 2011 shall be fully and forever barred from receiving payments pursuant to the Settlements but will in all other respects remain a Class Member and be subject to the provisions of the Stipulations and Settlements that are approved, including the terms of any Judgments entered and releases given. This means that each Class Member releases the applicable Settled Claims (as defined in paragraph 73 below) against the applicable Released Defendant Parties (as defined in paragraph 73 below) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the applicable Settled Claims against any of the applicable Released Defendant Parties regardless of whether or not such Class Member submits a Claim Form.

40. Information Required on the Claim Form: Among other things, each Claim Form must state and provide sufficient documentation for each Claimant's position in WMI Class Securities as of the beginning of the Class Period, their transactions during the Class Period, and their closing positions on the dates specified in the Claim Form.

41. Participants and beneficiaries in the WaMu Savings Plan should not include any information relating to their transactions within the plan in any Claim Form that they may submit in this Action. Claims based on the WaMu Savings Plan's purchases of WMI Class Securities during the Class Period may be made by the plan's trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Class are participants in the plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from these Settlements by the WaMu Savings Plan.

42. The Court has reserved jurisdiction to allow, disallow or adjust the Claim of any Class Member on equitable grounds.

43. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Western District of Washington with respect to his, her or its Claim Form.

44. Persons and entities that are excluded from the Class by definition or that exclude themselves from the Class will not be eligible to receive a distribution from the Net Settlement Funds and should not submit Claim Forms.

PROPOSED PLAN OF ALLOCATION⁷

45. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws as opposed to losses caused by market or industry factors or Company specific factors unrelated to the alleged violations of law. The Plan of Allocation reflects Lead Plaintiff's damages expert's analysis undertaken to that end, including a review of publicly available information regarding WMI and statistical

⁷ The Settling Defendants take no position on the Plan of Allocation and, as stated above, continue to deny that WMI Class Securities were ever artificially inflated in price, or that any Class Members suffered any damages.

analyses of the price movements of the WMI Class Securities and the price performance of relevant market and industry indices during the Class Period. The Plan of Allocation, however, is not a formal damage analysis.

46. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlements. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Funds.

47. As noted above, claims were asserted under both the Exchange Act and the Securities Act.⁸ For purposes of the Exchange Act claims, Lead Plaintiff's damages expert estimated the alleged artificial inflation in the Common Stock and the Capital Trust Unit Preferred which is shown in Table A. For purposes of the Securities Act claims, the Plan of Allocation is generally based upon application of the statutory damages formula under Section 11 of the Securities Act with respect to transactions in Series R Stock, Floating Rate Notes and 7.250% Notes.

48. Subject to certain contingencies set forth below, the Net Settlement Fund created by the D&O/WMI Settlement (the "Exchange Act Fund") will be distributed to Authorized Claimants with respect to their Recognized Loss Amounts based on their Class Period purchases of Common Stock and Capital Trust Unit Preferred (their "Exchange Act Loss") and the Net Settlement Funds created by the Settlements with the Underwriter Defendants and Deloitte (the "Securities Act Fund") will be distributed to Authorized Claimants with respect to their Recognized Loss Amounts based on their Class Period purchases of Series R Stock, Floating Rate Notes and 7.250% Notes (their "Securities Act Loss").

49. A Securities Act Loss or Exchange Act Loss will be calculated for each eligible purchase or acquisition of the WMI Class Securities that is listed in the Claim Form, and for which adequate documentation is provided. The calculation will depend upon several factors, including (i) which type of WMI Class Securities were purchased or otherwise acquired; (ii) when the WMI Class Securities were purchased or otherwise acquired; and (iii) whether the securities were sold and, if so, when they were sold.

50. Calculation of Exchange Act Losses will be based on the change in the level of alleged artificial inflation in the price of the WMI Common Stock and Capital Trust Unit Preferred at the time of purchase or acquisition and at the time of sale. In this case, Lead Plaintiff alleges that the Individual Defendants violated the Exchange Act by making false statements and omitting material facts between October 19, 2005 through and including July 22, 2008, which had the effect of artificially inflating the prices of these securities. Defendants deny all such allegations.

51. In order to have recoverable damages under the Exchange Act claims, plaintiffs must prove that disclosure of the alleged misrepresentations is the cause of the decline in the price of the security. Alleged corrective disclosures that removed the alleged artificial inflation from the prices of the Common Stock and Capital Trust Unit Preferred occurred on October 18, 2007, November 2, 2007, November 7, 2007, December 11, 2007, December 21, 2007, March 7, 2008 and before the beginning of trading on July 23, 2008. Accordingly, in order to have a compensable loss:

(a) Common Stock and Capital Trust Unit Preferred purchased or otherwise acquired from October 19, 2005 through October 17, 2007 must have been held until at least the beginning of trading on October 18, 2007, the day of the first corrective disclosure; and

(b) Common Stock and Capital Trust Unit Preferred purchased or otherwise acquired after the start of trading on October 18, 2007 through and including July 22, 2008, must have been held at least until the next corrective disclosure as listed above.

52. To the extent an Exchange Act Claimant does not satisfy either of the conditions set forth in the preceding paragraph, his, her or its Recognized Loss Amount for those transactions will be zero.

53. Calculation of Securities Act Losses will be generally based upon the statutory measure of damages for claims based on material misrepresentations in registration statements. As noted above, the calculation of Recognized Loss Amounts pursuant to the Plan of Allocation is not intended to be an estimate of, nor indicative of, the amount that a Class Member might have been able to recover after a trial.

CALCULATION OF SPECIFIC LOSS AMOUNTS

54. Based on the formulas set forth below, a "Recognized Loss Amount" shall be calculated for each purchase or acquisition of the WMI Class Securities listed in the Proof of Claim form and for which adequate documentation is provided. If a Recognized Loss Amount results in a negative number, that Recognized Loss Amount shall be zero.

55. **Exchange Act Claims Recognized Loss Amount Calculations** - For the Common Stock and the Capital Trust Unit Preferred, the Recognized Loss Amount per share or unit shall be calculated as follows:

(a) **Common Stock**

For each share of Common Stock purchased or acquired between October 19, 2005 and July 22, 2008, inclusive, and:

- 1) Sold prior to the close of trading on October 17, 2007, the Recognized Loss Amount is \$0.00.

⁸ The determination as to which claims should be brought against any given defendant was based on Plaintiffs' analysis of the relevant law and the facts as known at the time the claims were asserted.

- 2) Sold at a loss from October 18, 2007 through the close of trading on July 22, 2008, the Recognized Loss Amount shall be **the lesser of**: (i) the amount of artificial inflation per share as set forth in Table A on the date of purchase **minus** the amount of artificial inflation per share as set forth in Table A on the date of the sale; or (ii) purchase/acquisition price **minus** the sale price.
- 3) Sold at a loss from July 23, 2008 through the close of trading on October 20, 2008, the Recognized Loss Amount shall be **the least of**: (i) the amount of artificial inflation per share as set forth in Table A on the date of purchase **minus** the amount of artificial inflation per share as set forth in Table A on the date of the sale; or (ii) purchase/acquisition price **minus** the sale price; or (iii) the purchase price **minus** the average closing price between July 23, 2008 and the date of sale as shown in Table B.
- 4) Held as of the close of trading on October 20, 2008, the Recognized Loss Amount shall be **the lesser of**: (i) the amount of artificial inflation per share as set forth in Table A on the date of purchase; or (ii) the purchase/acquisition price **minus** \$2.86, the average closing price for the Common Stock between July 23, 2008 and October 20, 2008 as shown at the end of Table B.

(b) **Capital Trust Unit Preferred**

For each unit of Capital Trust Unit Preferred purchased or acquired between October 19, 2005 and July 22, 2008, inclusive, and:

- 1) Sold prior to the close of trading on October 17, 2007, the Recognized Loss Amount is \$0.00.
- 2) Sold at a loss from October 18, 2007 through the close of trading on July 23, 2008, the Recognized Loss Amount shall be **the lesser of**: (i) the amount of artificial inflation per unit as set forth in Table A on the date of purchase **minus** the amount of artificial inflation per unit as set forth in Table A on the date of the sale; or (ii) purchase/acquisition price **minus** the sale price.
- 3) Sold at a loss from July 24, 2008 through the close of trading on October 21, 2008, the Recognized Loss Amount shall be **the least of**: (i) the amount of artificial inflation per unit as set forth in Table A on the date of purchase **minus** the amount of artificial inflation per unit as set forth in Table A on the date of the sale; or (ii) purchase/acquisition price **minus** the sale price; or (iii) the purchase price **minus** the average closing price between July 24, 2008 and the date of sale as shown in Table C.
- 4) Held as of the close of trading on October 21, 2008, the Recognized Loss Amount shall be **the lesser of**: (i) the amount of artificial inflation per unit as set forth in Table A on the date of purchase; or (ii) the purchase/acquisition price **minus** \$13.04, the average closing price for the Capital Trust Unit Preferred between July 24, 2008 and October 21, 2008 as shown at the end of Table C.

56. **Securities Act Claims Recognized Loss Amount Calculations** – For the Series R Stock, the 7.250% Notes and the Floating Rate Notes, the Recognized Loss Amount per share or note shall be calculated as follows:

(a) **Series R Stock**

For each share of Series R Stock purchased or otherwise acquired prior to the close of trading on July 22, 2008, inclusive, and:

- 1) Sold at a loss prior to the close of trading on August 5, 2008 (the date of suit), the Recognized Loss Amount shall be **the lesser of**:
 - (x) the purchase/acquisition price **minus** the sale price; or
 - (y) \$1,000 (issue price) **minus** the sale price.
- 2) Sold at a loss from August 6, 2008 through the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of**:
 - (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$465.00, the closing price on August 5, 2008; or
 - (y) \$1,000 (issue price) **minus** the greater of (i) the sale price or (ii) \$465.00, the closing price on August 5, 2008.
- 3) Held as of close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of**:
 - (x) the purchase/acquisition price **minus** \$465.00, the closing price on August 5, 2008 (the date of suit); or
 - (y) \$1,000 (issue price) **minus** \$465.00, the closing price on August 5, 2008 (the date of suit).

(b) **Floating Rate Notes**

(i) For each \$100 in face value of Floating Rate Notes purchased or otherwise acquired prior to the close of trading on May 13, 2008, and:

- 1) Sold at a loss prior to the close of trading on May 13, 2008 (the date of suit), the Recognized Loss Amount shall be **the lesser of**:
 - (x) the purchase/acquisition price **minus** the sale price; or

- (y) \$100 (issue price) **minus** the sale price.
- 2) Sold at a loss from May 14, 2008 through the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of:**
 - (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$93.50, the closing price on May 13, 2008 (the date of suit); or
 - (y) \$100 (issue price) **minus** the greater of (i) the sale price or (ii) \$93.50, the closing price on May 13, 2008 (the date of suit).
- 3) Held as of the close of trading on May 13, 2011, the Recognized Loss Amount shall be \$0.00.
- (ii) For each \$100 in Floating Rate Notes purchased or otherwise acquired from May 14, 2008 through the close of trading on July 22, 2008, inclusive, and:
 - 1) Sold at a loss prior to the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of:**
 - (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$93.50, the closing price on May 13, 2008 (the date of suit); or
 - (y) \$100 (issue price) **minus** the greater of (i) the sale price or (ii) \$93.50, the closing price on May 13, 2008 (the date of suit).
 - 2) Held as of the close of trading on May 13, 2011, the Recognized Loss Amount shall be \$0.00.
- (c) **7.250% Notes**
 - (i) For each \$100 in face value of 7.250% Notes purchased or otherwise acquired prior to the close of trading on May 13, 2008 and:
 - 1) Sold at a loss prior to the close of trading on May 13, 2008 (the date of suit), the Recognized Loss Amount shall be **the lesser of:**
 - (x) the purchase/acquisition price **minus** the sale price; or
 - (y) \$99.377 (issue price) **minus** the sale price.
 - 2) Sold at a loss from May 14, 2008 through the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of:**
 - (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$84.47, the closing price on May 13, 2008 (the date of suit); or
 - (y) \$99.377 (issue price) **minus** the greater of (i) the sale price or (ii) \$84.47, the closing price on May 13, 2008 (the date of suit).
 - 3) Held as of the close of trading on May 13, 2011, the Recognized Loss Amount shall be \$0.00.
 - (ii) For each \$100 in face value of 7.250% Notes purchased or otherwise acquired from May 14, 2008 through the close of trading on July 22, 2008, inclusive, and:
 - 1) Sold at a loss prior to the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of:**
 - (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$84.47, the closing price on May 13, 2008 (the date of suit); or
 - (y) \$99.377 (issue price) **minus** the greater of (i) the sale price or (ii) \$84.47, the closing price on May 13, 2008 (the date of suit).
 - 2) Held as of the close of trading on May 13, 2011, the Recognized Loss Amount shall be \$0.00

57. The sum of a Claimant's Recognized Loss Amounts based on his, her or its purchases or acquisitions of Common Stock and Capital Trust Unit Preferred (as calculated in paragraph 55 above) shall be the Claimant's Exchange Act Loss. The sum of a Claimant's Recognized Loss Amounts based on his, her or its purchases or acquisitions of Series R Stock, Floating Rate Notes and 7.250% Notes (as calculated in paragraph 56 above) shall be the Claimant's Securities Act Loss. The sum of a Claimant's Securities Act Loss and Exchange Act Loss is referred to as his, her or its Recognized Claim.

ADDITIONAL PROVISIONS

58. The Net Settlement Funds will be allocated among all Authorized Claimants whose Distribution Amount (defined below in paragraph 61) is \$20.00 or greater.

59. If the sum total of the Exchange Act Losses of all Authorized Claimants is greater than the Exchange Act Fund, each Authorized Claimant with an Exchange Act Loss shall receive a *pro rata* share of the Exchange Act Fund, which shall be the Authorized Claimant's Exchange Act Loss divided by the total of all Exchange Act Losses, multiplied by the total amount in the Exchange Act Fund. If the sum total of the Securities Act Losses of all Authorized Claimants is greater than the Securities Act Fund, each Authorized

Claimant with a Securities Act Loss shall receive a *pro rata* share of the Securities Act Fund, which shall be the Authorized Claimant's Securities Act Loss divided by the total of all Securities Act Losses, multiplied by the total amount in the Securities Act Fund.

60. While it is unlikely that the Exchange Act Fund will exceed the total amount of the Exchange Act Losses, should that happen, the excess amount in the Exchange Act Fund shall become available to compensate Authorized Claimants for their Securities Act Losses if the Securities Act Fund is not sufficient to pay the total amount of Securities Act Losses, up to the amount necessary to pay those losses. Should there be any excess remaining after the total amount of Securities Act Losses have been paid, the excess will be distributed *pro rata* to Authorized Claimants based on their Exchange Act Losses. In like manner, should the amount in the Securities Act Fund exceed the total Securities Act Losses, the excess will become available to compensate Authorized Claimants for their Exchange Act Losses if the amount in the Exchange Act Fund is not sufficient to pay the total amount of the Exchange Act Losses, up to the amount necessary to pay those losses, with any remaining balance being distributed *pro rata* to Authorized Claimants based on their Securities Act Losses.

61. The Distribution Amount paid to an Authorized Claimant will be the sum of (i) his, her or its *pro rata* share of the Exchange Act Fund; and (ii) his, her or its *pro rata* share of the Securities Act Fund. If an Authorized Claimant's Distribution Amount calculates to less than \$20.00, no distribution will be made to that Authorized Claimant.

62. If a Class Member has more than one purchase/acquisition or sale of WMI Class Securities during the Class Period, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out ("FIFO") basis. Sales will be matched first against any holdings of WMI Class Securities of the same security type held at the beginning of the Class Period, and then against purchases/acquisitions of the same security in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

63. Purchases or acquisitions and sales of WMI Class Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of WMI Class Securities during the Class Period shall not be deemed a purchase, acquisition or sale of WMI Class Securities for the calculation of an Authorized Claimant's Securities Act Loss or Exchange Act Loss nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any WMI Class Securities unless (i) the donor or decedent purchased or otherwise acquired such WMI Class Securities during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such WMI Class Securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

64. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of WMI Class Securities. The date of a "short sale" is deemed to be the date of sale of WMI Class Securities. Under the Plan of Allocation, however, the Securities Act Loss and Exchange Act Loss on all "short sales" is zero. In the event that there is an opening short position in any WMI Class Security, the earliest Class Period purchases of like security shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

65. Option contracts are not securities eligible to participate in the Settlements. With respect to WMI Class Securities purchased or sold through the exercise of an option, the purchase/sale date of the WMI Class Security is the exercise date of the option and the purchase/sale price of the WMI Class Security is the exercise price of the option.

66. To the extent a Claimant had a market gain with respect to his, her, or its purchases/acquisitions of WMI Class Securities during the Class Period, the value of the Claimant's Securities Act Loss and Exchange Act Loss will both be zero. Such Claimants will in any event be bound by the Settlements. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its purchases/acquisitions of WMI Class Securities during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant's Recognized Claim shall be limited to the amount of the actual market loss and the Claimant's Securities Act Loss and Exchange Act Loss will be reduced proportionally.

67. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its purchases/acquisitions of WMI Class Securities during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount⁹ and (ii) the sum of the Total Sales Proceeds¹⁰ and Total Holding Value.¹¹ This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its overall purchases/acquisitions of WMI Class Securities during the Class Period.

⁹ The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for all WMI Class Securities purchased or acquired during the Class Period.

¹⁰ The Claims Administrator shall match any sales of Common Stock and Capital Trust Unit Preferred during the period from October 19, 2005 through and including October 20, 2008 (for Common Stock) and October 21, 2008 (for Capital Trust Unit Preferred), first against the Claimant's opening position in the like security (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). For Series R Stock, Floating Rate Notes, and 7.250% Notes there are no opening positions since they were issued during the Class Period. The total amount received (excluding commissions and other charges) for (i) sales of Common Stock sold during the period from October 19, 2005 through and including October 20, 2008 (if the sale can be matched against a Class Period purchase/acquisition); (ii) sales of the Capital Trust Unit Preferred sold during the period from October 19, 2005 through and including October 21, 2008 (if the sale can be matched against a Class Period purchase/acquisition); and (iii) sales of Series R Stock, Floating Rate Notes, and 7.250% Notes sold during the period from the offering date of the security through and including May 13, 2011 (if the sale can be matched against a Class Period purchase/acquisition) shall be the "Total Sales Proceeds".

¹¹ The Claims Administrator shall ascribe a holding value to the WMI Class Securities purchased or acquired during the Class Period and still held as of the close of trading on October 20, 2008 (for Common Stock), October 21, 2008 (for Capital Trust Unit Preferred), and May 13, 2011 (for Series R Stock, Floating Rate Notes, and 7.250% Notes) (the "Holding Value") as follows: \$0.08 per share of WMI Common Stock; \$1.10 per unit of Capital Trust Unit Preferred; \$14.01 per share of Series R Stock; \$100.188 per \$100 face value of the Floating Rate Notes; and \$114.00 per \$100 face value of the 7.250% Notes.

68. If any funds remain in the Net Settlement Funds because of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, any balance remaining in the Net Settlement Funds one (1) year after the initial distribution of such funds shall be redistributed to Authorized Claimants who have cashed their initial distribution and who would receive at least \$20.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the funds, including for such redistribution. Additional redistributions to Authorized Claimants who have cashed their prior distribution checks and who would receive at least \$20.00 on such additional redistributions, subject to the conditions previously noted, may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional redistribution, after the deduction of any additional fees and expenses that would be incurred with respect to such redistributions, is cost-effective. At such time as it is determined that the redistribution of funds remaining in the Net Settlement Funds is not cost-effective, the remaining balance of the Net Settlement Funds shall be contributed to non-sectarian, not-for-profit 501(c)(3) organizations recommended by Lead Counsel and approved by the Court.

69. Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Lead Counsel, Liaison Counsel for Plaintiffs, Settling Defendants and their respective counsel or any of the other Released Defendant Parties, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulations, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Settling Defendants and their respective counsel, and all other Released Defendant Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Funds, the Net Settlement Funds, the Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Funds, or any losses incurred in connection therewith.

70. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.WashingtonMutualSecuritiesLitigationSettlement.com.

WHAT RIGHTS AM I GIVING UP BY REMAINING IN THE CLASS?

71. If you remain in the Class, you will be bound by any orders issued by the Court. For example, as to each Settlement that is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against the applicable Settling Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other members of the Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors and assigns, shall be deemed by operation of law to have released, waived, discharged and dismissed each and every Settled Claim (as defined in paragraph 73 below) as against all of the applicable Released Defendant Parties (as defined in paragraph 73 below) and shall forever be enjoined from prosecuting any or all Settled Claims against any Released Defendant Parties.

72. In addition, in the D&O/WMI Settlement (if approved), upon the Effective Date, Lead Plaintiff and all of the other members of the Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors, assigns and agents, shall be deemed by operation of law to have irrevocably, absolutely and unconditionally, fully, finally and forever released, waived, discharged and dismissed the Bankruptcy Claims as against WMI. The "Bankruptcy Claims" are certain claims filed in the Chapter 11 Cases with respect to the claims asserted in this Action. While the Bankruptcy Claims and the other Settled Claims are being released, the Settlements will **not** release any claims that individual Class Members might have in the Chapter 11 Cases based solely upon their status as holders or owners of various WMI debt or equity securities (as described in paragraph 76 below).

73. As described in more detail below, the Settled Claims include any claims that (i) were asserted in the Action or that could have been asserted in this Action relating to the various claims and allegations that were or could have been alleged in the Amended Complaint and/or (ii) relate to the purchase, acquisition or holding of any of the WMI Class Securities (listed on page one), 5.50% notes due August 24, 2011 offered in WMI's August 2006 offering or Series K perpetual non-cumulative floating rate preferred stock.¹²

"Settled Claims" means: any and all claims, rights, demands, liabilities, or causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liabilities whatsoever), to the fullest extent that the law permits their release in this Action (or, with respect to the D&O/WMI Settlement, in the Chapter 11 Cases), by or on behalf of Lead Plaintiff or any other Class Members against any of the Released Defendant Parties that have been alleged or could have been alleged in the Action (or, with respect to the D&O/WMI Settlement, in the Chapter 11 Cases, including without limitation, the Bankruptcy Claims) whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether known claims or Unknown Claims, whether class or individual in nature, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, whether at law or in equity, matured or unmatured, that (i) are based on, relate to or arise out of the allegations, transactions, facts, matters, events, disclosures, statements, occurrences, representations, acts or omissions or failures to act that have been or could have been alleged in the Action (or, with respect to the D&O/WMI Settlement, in the Chapter 11 Cases with respect to the Bankruptcy Claims or otherwise) and/or (ii) relate to or arise out of Lead Plaintiff's or any other Class Member's

¹² The 5.50% notes due August 24, 2011 offered in WMI's August 2006 offering (CUSIP 939322AX1) ("5.50% Notes") and Series K perpetual non-cumulative preferred stock offered in WMI's September 2006 offering (CUSIP 939322830) ("Series K Stock") are not WMI Class Securities, however, if you are a Class Member and purchased those securities, then, as part of the Settlements, you will also be releasing the Settled Claims with respect to those securities. If you are not a Class Member, your claims with respect to these securities are not affected.

purchase, acquisition or holding of WMI Released Securities during the Class Period insofar as it relates in any way to any other matter covered in this definition of Settled Claims.¹³

“Unknown Claims” means any Settled Claims which Lead Plaintiff or other Class Members do not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendant Parties’ Claims which any Released Defendant Party does not know or suspect to exist in his, her, or its favor at the time of the release of Lead Plaintiff, Plaintiffs’ Counsel, the other Class Members and their respective attorneys, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlements. With respect to any and all Settled Claims and Released Defendant Parties’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and each of the Settling Defendants shall expressly waive, and each of the other Class Members and each of the other Released Defendant Parties shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff and each of the Settling Defendants acknowledge, and each of the other Class Members and each of the other Released Defendant Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for as a key element of the Settlement.

“Released Defendant Parties” means as to the respective Settlements:

The D&O/WMI Settlement: any and all of the Individual Defendants and WMI pursuant to that Settlement and each of their respective Related Parties, i.e., (i) with respect to each Individual Defendant, his or her assigns, attorneys, advisors (other than the Underwriter Defendants), representatives, members of his or her Immediate Family, heirs, executors, estates, administrators, insurers, including, without limitation, the Contributing Insurers and reinsurers, (ii) with respect to WMI, its predecessors, successors, past, present or future parents, subsidiaries, affiliates, and each of their respective past or present officers, directors, agents, partners, principals, members, employees, attorneys, advisors (other than the Underwriter Defendants), auditors and accountants (other than Deloitte), insurers, including, without limitation, the Contributing Insurers, and reinsurers; (iii) with respect to all Individual Defendants and WMI, any firm, trust, corporation, or other entity in which any of them has or had a controlling interest.

The Underwriters Settlement: any and all of the Underwriter Defendants, BOA and each of their respective Related Parties, i.e., with respect to each Underwriter Defendant and BOA, its predecessors, successors, past, present or future parents, subsidiaries, affiliates, and each of their respective past or present officers, directors, shareholders, agents, partners, principals, members, employees, attorneys, advisors, auditors and accountants (other than Deloitte), insurers and reinsurers, and any firm, trust, corporation, or other entity in which any of the Underwriter Defendants or BOA has or had a controlling interest.

The Deloitte Settlement: Deloitte and each of its Related Parties, i.e., as to Deloitte & Touche LLP, Deloitte LLP, Deloitte Consulting LLP, Deloitte Financial Advisory Services LLP, Deloitte Tax LLP, Deloitte Services LP, all of their and Deloitte & Touche LLP’s respective past, present and future parent companies, subsidiaries, affiliates, divisions, joint venturers, subcontractors, agents, attorneys, insurers, subrogees, co-insurers and reinsurers, and each of their respective past and present officers, directors, employees, members, partners, principals, shareholders and owners.

Notwithstanding the foregoing, as to each individual Settlement, the Related Parties do not include any of the Defendants who are parties to one of the other Settlements or any person or entity that would be a Related Party of one of those Other Defendant parties as defined in the applicable Stipulation. Thus, if any of the Settlements is not approved, a person or entity who or which is a “Settling Defendant” or a “Related Party” pursuant to the terms of that Settlement will not be released.

74. The Judgments will also provide that, upon the Effective Date of each Settlement, each of the applicable Settling Defendants and each of the other applicable Released Defendant Parties, on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors and assigns, shall be deemed by operation of law to have released, waived, discharged and dismissed any and all claims, rights, demands, liabilities or causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liabilities whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Action or in this or any other forum against Lead Plaintiff, Plaintiffs’ Counsel, any other Class Member or any of their respective attorneys, which arise out of or relate in any way to the

¹³ Settled Claims, generally, do not include, release, bar, waive, impair or otherwise impact (i) any claims to enforce the Settlement; (ii) any claims of the Class or any Class Member against any of the Other Defendants; (iii) the rights of any Class Members to recover moneys from the settlement of the action styled *In re Washington Mutual Inc. ERISA Litig.*, Lead Case No. 07-cv-1874; (iv) any claims asserted in the actions styled: *In re Washington Mutual, Inc. California Securities Litigation*, No. 09-664 (W.D. Wash.), *Flaherty & Crumrine Preferred Income Fund Incorporated, et al. v. Killinger, et al.*, No. C09-1756 MJP (W.D. Wash.), *Boilermakers National Annuity Trust Fund v. WaMu Mortgage Pass-Through Certificates et al.*, 09-37 (W.D. Wash.), and *Allstate Bank, et al. v. JPMorgan Chase Bank, NA, et al.*, Index No. 650398/2011 (N.Y. Supreme); (v) any claim or right to recovery of any Class Member individually in the Chapter 11 Cases based solely upon his, her or its status as a holder or beneficial owner of a WMI debt or equity security with respect to their rights to participate in the distribution of funds in the Chapter 11 Cases upon confirmation of a plan of reorganization or otherwise solely to the extent that such distribution is being made on account of such debt or equity security; or (vi) Lead Plaintiff’s and each other Class Member’s right to participate in the distribution of any funds recovered from any of the Defendants by any governmental or regulatory agency.

institution, prosecution, or settlement of the Action (except for claims to enforce the Settlements), and shall forever be enjoined from prosecuting any such claims against Lead Plaintiff, Plaintiffs' Counsel, every other Class Member and each of their respective attorneys.

75. In addition, each of the Judgments will provide for a "Bar Order" that will bar certain claims for contribution or other related claims by or against the Settling Defendants or the other Released Defendant Parties. The specific terms of the Bar Orders that will be sought are set forth in the respective Stipulations. Each Judgment will further provide that if the Class or any Class Member later obtains a judgment against a person subject to the Bar Order, such judgment shall be reduced by the greater of an amount that corresponds to the percentage of responsibility of the Settling Defendants for common damages or the amount paid by or on behalf of the Settling Defendants to the Class or Class Member for common damages.

WILL THE SETTLEMENTS AFFECT ANY INDIVIDUAL CLAIM THAT I MIGHT HAVE IN THE CHAPTER 11 CASES?

76. The Settlements will affect only the Settled Claims, including the Bankruptcy Claims filed in the Chapter 11 Cases. The Settlements shall not in any way release, impair or otherwise impact any claim or right to recovery of any Class Member individually in the Chapter 11 Cases based solely upon his, her or its status as a holder or beneficial owner of a WMI debt or equity security with respect to their rights to participate in the distribution of funds in the Chapter 11 Cases upon confirmation of a plan of reorganization or otherwise solely to the extent that such distribution is being made on account of such debt or equity security in addition to any recovery that they may be entitled to receive under these Settlements.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

77. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Settling Defendants on behalf of the Class, nor have they been reimbursed for their out-of-pocket expenses. Before final approval of the Settlements, Lead Counsel will apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel in the amount of 22.5% of each of the Settlement Funds. At the same time, Lead Counsel also intend to apply for reimbursement of Litigation Expenses to be paid proportionately from the Settlement Funds in an amount not to exceed \$5.8 million (which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Class). Should the Court approve less than all the Settlements, attorneys' fees will be paid only with respect to the Settlements that are approved and the Litigation Expenses approved by the Court will be paid proportionately from the Settlement Funds created by the approved Settlements.

HOW DO I PARTICIPATE IN THE SETTLEMENTS? WHAT DO I NEED TO DO?

78. To be eligible for a payment from the proceeds of the Settlements, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than December 8, 2011**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlements, www.WashingtonMutualSecuritiesLitigationSettlement.com, or from Lead Counsel's website, www.blbgilaw.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-888-588-3788. If you request exclusion from the Class or do not submit a timely and valid Claim Form, you will not be eligible to share in any of the Net Settlement Funds. Please retain all records of your ownership of and transactions in WMI Class Securities, as they may be needed to document your Claim.

79. As a Class Member you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlements?," below.

80. If you are a Class Member and do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want to Participate in the Settlements? How Do I Exclude Myself?," below.

81. If you are a Class Member and you wish to object to any of the Settlements, to the Plan of Allocation, or to Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlements?," below.

WHAT IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENTS? HOW DO I EXCLUDE MYSELF?

82. Each Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Class, addressed to *In re Washington Mutual, Inc. Securities Litigation*, EXCLUSIONS, c/o The Garden City Group, Inc., P.O. Box 91310, Seattle, WA 98111-9410. The exclusion request must be *received* no later than October 10, 2011. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion; (b) state that such person or entity "requests exclusion from the Class in *In re Washington Mutual, Inc. Securities Litigation*, No. 2:08-md-1919 MJP, Lead Case No. C08-387 MJP"; (c) state the number of each WMI Class Security (in terms of shares, notes or units) that the person or entity requesting exclusion purchased and/or sold during the Class Period, as well as the dates and prices of each such purchase and sale; (d) state whether the person or entity requesting exclusion sold or disposed of any: WMI common stock between July 23, 2008 and October 20, 2008, inclusive; units of Capital Trust Unit Preferred between July 23, 2008 and October 21, 2008, inclusive; and/or Floating Rate Notes, 7.250% Notes or Series R Preferred Stock on or after July 23, 2008, and if so, state the

number of shares, units or notes sold, the date(s) of such sale(s) and the amount of money received for each such sale; and (e) be signed by such person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

83. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Settled Claim against any of the Released Defendant Parties.

84. If you ask to be excluded from the Class, you will not be eligible to receive any payment out of any of the Net Settlement Funds, or any other benefit provided for in the Stipulations.

85. The Settling Defendants have the right to terminate their respective Settlements if valid requests for exclusion are received from persons and entities entitled to be members of the Class in an amount that exceeds an amount agreed to by Lead Plaintiff and the applicable Settling Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENTS? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENTS?

86. **Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if the Class Member does not attend the hearing. You can participate in the Settlements without attending the Settlement Hearing.**

87. The Settlement Hearing will be held on November 4, 2011 at 9:00 a.m. before the Honorable Marsha J. Pechman, at the United States District Court for the Western District of Washington, United States Courthouse, 700 Stewart Street, Seattle, WA 98101. The Court reserves the right to approve the Settlements at or after the Settlement Hearing without further notice to the members of the Class.

88. Any Class Member who does not request exclusion may object to one or more of the Settlements, the proposed Plan of Allocation or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Western District of Washington at the address set forth below on or before October 10, 2011. You must also serve the papers on Lead Counsel for the Class and on counsel for the relevant Settling Defendants at the addresses set forth below for their respective counsel so that the papers are **received on or before October 10, 2011**.

Clerk's Office

United States District Court for the
Western District of Washington
Clerk of the Court
United States Courthouse
700 Stewart Street
Seattle, WA 98101

Lead Counsel for the Class

Hannah G. Ross, Esq.
Bernstein Litowitz Berger
& Grossmann LLP
1285 Avenue of the Americas
New York, NY 10019

**Representative Counsel for the
Individual Defendants**

Ronald L. Berenstain, Esq.
Perkins Coie LLP
1201 Third Avenue
Suite 4800
Seattle, WA 98101-3099

**Counsel for the
Underwriter Defendants**

Jonathan C. Dickey, Esq.
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166

**Counsel for
Deloitte & Touche LLP**

Peter A. Wald, Esq.
Latham & Watkins LLP
505 Montgomery Street
San Francisco, CA 94111

89. Any objection to any of the Settlements (a) must contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention; and (b) must include documents sufficient to prove the number (in terms of shares, notes or units) of each WMI Class Security that the objecting Class Member purchased and sold during the Class Period, as well as the dates and prices of each such purchase and/or sale, and with respect to WMI common stock sold between July 23, 2008 and October 20, 2008 inclusive, Capital Trust Unit Preferred sold between July 23, 2008 and October 21, 2008 inclusive, and Floating Rate Notes, 7.250% Notes or Series R Preferred Stock sold on or after July 23, 2008, state the number of shares, units or notes sold, the date(s) of such sale(s) and the amount of money received for each such sale. You may not object to any of the Settlements, the Plan of Allocation or the motion for attorneys' fees and reimbursement of expenses if you excluded yourself from the Class or if you are not a member of the Class.

90. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

91. If you wish to be heard orally at the hearing in opposition to the approval of any of the Settlements, the Plan of Allocation or Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and counsel for the Settling Defendants at the addresses set forth above so that it is **received** on or before October 15, 2011. Persons

who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

92. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on Lead Counsel and Counsel for the Settling Defendants at the addresses set forth above so that the notice is **received** on or before October 15, 2011.

93. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlements, the proposed Plan of Allocation or Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES, NOTES OR UNITS ON SOMEONE ELSE'S BEHALF?

94. If you purchased or otherwise acquired any of the WMI Class Securities (listed on page 1 of this Notice) during the Class Period for the beneficial interest of persons or organizations other than yourself, you must either (a) send a copy of this Notice and the enclosed Claim Form to the beneficial owners of such securities, postmarked no later than fourteen (14) days after you receive this Notice, or (b) provide the names and addresses of such persons or entities no later than fourteen (14) days after you receive this Notice to *In re Washington Mutual, Inc. Securities Litigation*, c/o The Garden City Group, Inc., P.O. Box 91310, Seattle, WA 98111-9410. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, www.WashingtonMutualSecuritiesLitigationSettlement.com, by calling the Claims Administrator toll-free at 1-888-588-3788, or from Lead Counsel's website, www.blbglaw.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

95. This Notice contains only a summary of the terms of the proposed Settlements. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulations, which may be inspected during regular office hours at the Office of the Clerk, United States District Court, Western District of Washington, United States Courthouse, 700 Stewart Street, Seattle, WA 98101. Additionally, copies of the Stipulations and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.WashingtonMutualSecuritiesLitigationSettlement.com. All inquiries concerning this Notice should be directed to:

In re Washington Mutual, Inc. Securities Litigation
c/o The Garden City Group, Inc.

P.O. Box 91310
Seattle, WA 98111-9410
(888) 588-3788

www.WashingtonMutualSecuritiesLitigationSettlement.com

and/or

Hannah G. Ross, Esq.
BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
1285 Avenue of the Americas
New York, NY 10019
(800) 380-8496
blbg@blbglaw.com

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT
REGARDING THIS NOTICE.**

Dated: August 10, 2011

By Order of the Clerk of the Court
United States District Court
Western District of Washington

TABLE A – WMI Securities Inflation per share by Period

Inflation Per Share		
Period	Common Stock	Capital Trust Unit
October 19, 2005 to October 17, 2007	\$5.80	\$5.06
October 18, 2007 to November 1, 2007	\$4.87	\$4.15
November 2, 2007 to November 6, 2007	\$4.54	\$4.06
November 7, 2007 to December 10, 2007	\$2.83	\$3.22
December 11, 2007 to December 20, 2007	\$2.38	\$3.74
December 21, 2007 to March 6, 2008	\$1.57	\$1.71
March 7, 2008 to July 22, 2008	\$0.97	\$0.79
July 23, 2008 Onwards	\$0.00	\$0.00

TABLE B – Common Stock Average 90 Day Lookback Price

Date	Closing Price	Average Closing Price	Date	Closing Price	Average Closing Price
7/23/2008	\$4.64	\$4.64	9/8/2008	\$4.12	\$4.34
7/24/2008	\$4.02	\$4.33	9/9/2008	\$3.30	\$4.31
7/25/2008	\$3.83	\$4.16	9/10/2008	\$2.32	\$4.25
7/28/2008	\$3.94	\$4.11	9/11/2008	\$2.83	\$4.21
7/29/2008	\$4.43	\$4.17	9/12/2008	\$2.73	\$4.17
7/30/2008	\$4.74	\$4.27	9/15/2008	\$2.00	\$4.11
7/31/2008	\$5.33	\$4.42	9/16/2008	\$2.32	\$4.07
8/1/2008	\$5.32	\$4.53	9/17/2008	\$2.01	\$4.02
8/4/2008	\$4.87	\$4.57	9/18/2008	\$2.99	\$3.99
8/5/2008	\$5.22	\$4.63	9/19/2008	\$4.25	\$4.00
8/6/2008	\$5.30	\$4.69	9/22/2008	\$3.33	\$3.98
8/7/2008	\$4.97	\$4.72	9/23/2008	\$3.20	\$3.96
8/8/2008	\$4.58	\$4.71	9/24/2008	\$2.26	\$3.93
8/11/2008	\$4.74	\$4.71	9/25/2008	\$1.69	\$3.88
8/12/2008	\$4.30	\$4.68	9/26/2008	\$0.16	\$3.80
8/13/2008	\$4.12	\$4.65	9/29/2008	\$0.03	\$3.72
8/14/2008	\$4.36	\$4.63	9/30/2008	\$0.08	\$3.65
8/15/2008	\$4.55	\$4.63	10/1/2008	\$0.14	\$3.58
8/18/2008	\$4.21	\$4.60	10/2/2008	\$0.12	\$3.51
8/19/2008	\$4.10	\$4.58	10/3/2008	\$0.16	\$3.44
8/20/2008	\$4.10	\$4.56	10/6/2008	\$0.14	\$3.38
8/21/2008	\$3.90	\$4.53	10/7/2008	\$0.11	\$3.32
8/22/2008	\$3.83	\$4.50	10/8/2008	\$0.11	\$3.26
8/25/2008	\$3.60	\$4.46	10/9/2008	\$0.09	\$3.20
8/26/2008	\$3.59	\$4.42	10/10/2008	\$0.08	\$3.15
8/27/2008	\$3.53	\$4.39	10/13/2008	\$0.09	\$3.10
8/28/2008	\$3.87	\$4.37	10/14/2008	\$0.10	\$3.05
8/29/2008	\$4.05	\$4.36	10/15/2008	\$0.10	\$3.00
9/2/2008	\$4.24	\$4.35	10/16/2008	\$0.10	\$2.95
9/3/2008	\$4.40	\$4.36	10/17/2008	\$0.09	\$2.90
9/4/2008	\$4.04	\$4.35	10/20/2008	\$0.08	\$2.86
9/5/2008	\$4.27	\$4.34			

TABLE C – Capital Trust Unit Preferred Average 90 Day Lookback Price

Date	Closing Price	Average Closing Price
7/24/2008	\$18.25	\$18.25
7/25/2008	\$18.00	\$18.13
7/28/2008	\$19.00	\$18.42
7/29/2008	\$19.00	\$18.56
7/30/2008	\$20.32	\$18.91
7/31/2008	\$23.50	\$19.68
8/1/2008	\$21.50	\$19.94
8/4/2008	\$22.00	\$20.20
8/5/2008	\$21.20	\$20.31
8/6/2008	\$21.50	\$20.43
8/7/2008	\$20.93	\$20.47
8/8/2008	\$21.85	\$20.59
8/11/2008	\$20.72	\$20.60
8/12/2008	\$20.62	\$20.60
8/13/2008	\$19.38	\$20.52
8/14/2008	\$19.38	\$20.45
8/15/2008	\$20.50	\$20.45
8/18/2008	\$19.85	\$20.42
8/19/2008	\$19.00	\$20.34
8/20/2008	\$18.50	\$20.25
8/21/2008	\$18.10	\$20.15
8/22/2008	\$18.30	\$20.06
8/25/2008	\$18.20	\$19.98
8/26/2008	\$18.00	\$19.90
8/27/2008	\$17.50	\$19.80
8/28/2008	\$17.90	\$19.73
8/29/2008	\$18.60	\$19.69
9/2/2008	\$18.50	\$19.65
9/3/2008	\$18.70	\$19.61
9/4/2008	\$18.40	\$19.57
9/5/2008	\$17.75	\$19.51
9/8/2008	\$18.00	\$19.47

Date	Closing Price	Average Closing Price
9/9/2008	\$16.00	\$19.36
9/10/2008	\$13.00	\$19.17
9/11/2008	\$14.00	\$19.03
9/12/2008	\$16.75	\$18.96
9/15/2008	\$13.00	\$18.80
9/16/2008	\$10.25	\$18.58
9/17/2008	\$10.50	\$18.37
9/18/2008	\$15.00	\$18.29
9/19/2008	\$18.00	\$18.28
9/22/2008	\$16.50	\$18.24
9/23/2008	\$13.40	\$18.12
9/24/2008	\$11.05	\$17.96
9/25/2008	\$6.00	\$17.70
9/26/2008	\$0.02	\$17.31
9/29/2008	\$0.70	\$16.96
9/30/2008	\$0.40	\$16.61
10/1/2008	\$1.05	\$16.30
10/2/2008	\$1.10	\$15.99
10/3/2008	\$1.75	\$15.71
10/6/2008	\$2.01	\$15.45
10/7/2008	\$1.95	\$15.20
10/8/2008	\$1.90	\$14.95
10/9/2008	\$1.80	\$14.71
10/10/2008	\$1.75	\$14.48
10/13/2008	\$1.66	\$14.25
10/14/2008	\$1.80	\$14.04
10/15/2008	\$1.50	\$13.83
10/16/2008	\$1.50	\$13.62
10/17/2008	\$1.60	\$13.42
10/20/2008	\$1.60	\$13.23
10/21/2008	\$1.10	\$13.04